

# Exhibit 39

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

UNITED STATES OF AMERICA, ) CR-24-0329-CRB  
)  
PLAINTIFF, ) SAN JOSE, CALIFORNIA  
)  
VS. ) AUGUST 29, 2024  
)  
RUTHIA HE, A/K/A RUJIA HE ) PAGES 1-39  
)  
DEFENDANT. )  
)  
\_\_\_\_\_)  
)

TRANSCRIPT OF PROCEEDINGS  
BEFORE THE HONORABLE CHARLES R. BREYER  
UNITED STATES DISTRICT JUDGE

A P P E A R A N C E S:

FOR THE GOVERNMENT: **BY: KRISTINA GREEN**  
U.S. ATTORNEY'S OFFICE  
450 GOLDEN GATE AVENUE, 11TH FLOOR  
BOX 36055  
SAN FRANCISCO, CA 94102

FOR THE GOVERNMENT: **BY: JACOB NATHANIEL FOSTER**  
U.S. DEPARTMENT OF JUSTICE  
FRAUD SECTION  
950 PENNSYLVANIA AVENUE NW  
WASHINGTON, DC 20530

ALSO PRESENT: VANESSA VARGAS, U.S. PRETRIAL

OFFICIAL COURT REPORTER: SUMMER FISHER, CSR, CRR  
CERTIFICATE NUMBER 13185

PROCEEDINGS RECORDED BY MECHANICAL STENOGRAPHY  
TRANSCRIPT PRODUCED WITH COMPUTER

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1 SAN JOSE, CALIFORNIA

AUGUST 29, 2024

2 P R O C E E D I N G S

3 (COURT CONVENED AT 11:00 A.M.)

4 THE CLERK: CALLING CRIMINAL ACTION CR- 24-0329. USA  
5 VERSUS RUTHIA HE.

6 COUNSEL, PLEASE STEP FORWARD AND STATE YOUR APPEARANCES  
7 FOR THE RECORD.

8 MR. FOSTER: GOOD MORNING, YOUR HONOR.

9 JACOB FOSTER AND KRISTINA GREEN ON BEHALF OF THE  
10 UNITED STATES.

11 THE COURT: GOOD MORNING.

12 PROBATION OFFICER: GOOD MORNING, YOUR HONOR.  
13 VANESSA VARGAS WITH U.S. PRETRIAL SERVICES.

14 MR. PETERS: GOOD MORNING, YOUR HONOR.

15 ELLIOT PETERS WITH MY PARTNERS NICK MARAIS AND CODY GRAY  
16 ON BEHALF OF RUTHIA HE WHO IS PRESENT IN COURT IN THE CUSTODY  
17 OF THE MARSHALS.

18 THE COURT: GOOD MORNING.

19 MR. PETERS: GOOD MORNING, YOUR HONOR.

20 THE COURT: SO THANK YOU VERY MUCH. I RECEIVED A  
21 SUBMISSION FROM THE DEFENSE AS TO PROPOSED CONDITIONS,  
22 INDICATING THAT IT WOULD BE HELPFUL TO HAVE A DISCUSSION THIS  
23 MORNING.

24 I DON'T KNOW WHEN YOU RECEIVED IT, MY GUESS IS PROBABLY  
25 WHEN I RECEIVED IT, OR SOME TIME AROUND THERE, BUT LET ME TURN



1 TO THE GOVERNMENT AND ASK YOU IF YOU HAVE ANY THOUGHTS ABOUT  
2 ANY OF THESE CONDITIONS?

3 MR. PETERS: WE RAN THIS BY THE GOVERNMENT ON  
4 SATURDAY, YOUR HONOR.

5 THE COURT: I'M SORRY?

6 MR. PETERS: WE DID RUN THIS, THE OUTLINE OF THIS  
7 PROPOSAL BY THE GOVERNMENT LAST SATURDAY, SO THEY HAVE HAD A  
8 LITTLE BIT OF TIME TO THINK ABOUT IT.

9 MR. FOSTER: YOUR HONOR, MANY THOUGHTS.

10 I WOULD NOTE THAT SOME THINGS WERE RUN BY THE GOVERNMENT,  
11 SOME THINGS ARE VERY DIFFERENT THAN WHAT WAS RUN BY THE  
12 GOVERNMENT. WE RECEIVED IT WHEN YOUR HONOR RECEIVED IT.

13 THE COURT: YES. THIS IS AN ONGOING PROCESS THAT THE  
14 DEFENSE IS ENGAGED IN AS WELL, THEY HAVE TO TALK TO PEOPLE AND  
15 FIGURE OUT WHERE WE ARE.

16 BUT ANYWAY, WHERE WE ARE IS WE ARE HERE, SO NOW THE  
17 QUESTION IS, WHAT IS YOUR VIEW AS TO ANY OF THESE CONDITIONS  
18 THAT HAVE BEEN SUGGESTED BY THE DEFENSE?

19 MR. FOSTER: CLEARLY INSUFFICIENT, YOUR HONOR. A  
20 NUMBER OF REASONS.

21 FIRST, THEY HAVEN'T ADDRESSED THE COURT'S CONCERNS THAT  
22 THE COURT CLEARLY STATED ON THE RECORD. ONE OF THOSE WAS  
23 OBSTRUCTION. EVEN IF THIS DEFENDANT HAS NO ACCESS TO FUNDS,  
24 THERE IS AN UNUSUAL, AND IN THE GOVERNMENT'S VIEW OVERWHELMING  
25 AMOUNT OF EVIDENCE OF HER PLANS TO FLEE, TO TRANSFER ASSETS

1 OVERSEAS AND TO OBSTRUCT.

2 AND WHETHER SHE HAS ACCESS TO \$10 MILLION, A MILLION  
3 DOLLARS OR ZERO DOLLARS, SHE HAS A FAMILY THAT CAN WELCOME HER.  
4 SO FUNDS AREN'T DETERMINATIVE OF HER RISK OF FLIGHT, THE  
5 QUESTION IS CAN SHE BE TRUSTED? MAGISTRATE JUDGE HIXSON SAID  
6 NO, AND WE SUBMIT THAT ANSWER IS CORRECT.

7 SECOND. FUNDS. THE COURT WAS VERY CLEAR THAT IF WE CAME  
8 BACK, SOMETHING THAT NEEDED TO BE ADDRESSED WAS NOT ONLY FUNDS  
9 GOING FORWARD, BUT FUNDS IN THE PAST. THE MAKE BELIEVE FUNDS.

10 WE HAVE HEARD FROM COUNSEL LAST SATURDAY THAT THEY WOULD  
11 BE PROVIDING US WITH DOCUMENTATION OF THE MAKE BELIEVE FUNDS  
12 AND THEIR LEGITIMACY. THERE ARE NONE, AND YOUR HONOR SAID THAT  
13 IF WE WERE COMING BACK, THAT YOU BETTER HAVE SOME EXAMINATION  
14 OF PEOPLE WHO ARE RUNNING MAKE BELIEVE TO ENSURE SHE HAS NO  
15 ACCESS TO THAT OVER \$1.4 MILLION.

16 EVEN BEYOND THAT, A WEEK AGO THURSDAY WE PROVIDED  
17 SUBSTANTIATION THAT THE MAKE BELIEVE FUNDS ARE \$1.4 MILLION OF  
18 A BROADER \$13 MILLION IN TRANSFERS TO INTERNATIONAL ENTITIES  
19 AND INDIVIDUALS.

20 THE DEFENSE HAS HAD RECORDS OF EVERY ONE OF THOSE  
21 TRANSACTIONS SINCE LAST THURSDAY. WE HAVE REQUESTED REPEATEDLY  
22 THAT IF THEY DISAGREE WITH THE FACT THAT THESE ARE FINANCIAL  
23 TRANSFERS TO INTERNATIONAL ENTITIES AND INDIVIDUALS, THEY  
24 APPRISE US OF THAT.

25 WE HAVEN'T HEARD ANYTHING. AND WE WANT TO BE VERY CAREFUL

1 AND FORTHRIGHT ABOUT WHAT WE ARE SAYING. WE ARE NOT SAYING  
2 THAT THOSE ARE ALL A POT OF MONEY AVAILABLE FOR THE DEFENDANT,  
3 BUT WHAT WE ARE SAYING IS THAT IT ILLUSTRATES ONE, THE EXTENT  
4 OF HER FOREIGN TIES; AND TWO, THAT BECAUSE THIS WAS PART OF A  
5 PLAN THAT SHE LITERALLY WROTE TO MOVE CONTRACTORS AND THE  
6 BUSINESS OVERSEAS, BECAUSE OF THE PENDENCY OF THE INVESTIGATION  
7 AND BECAUSE IN EXHIBIT 1 SHE CORRESPONDS WITH OTHERS, AND  
8 EXHIBIT 26 ABOUT OPENING UP BANK ACCOUNTS IN THE NAME OF  
9 NOMINEES, THE GOVERNMENT AT THIS POINT CANNOT FORECLOSE THAT AT  
10 LEAST SOME AMOUNT OF THOSE FUNDS ARE AVAILABLE FOR HER BECAUSE  
11 THAT'S THE PLAN THAT SHE DISCUSSED.

12 IN THAT REGARD, FUNDS, WHERE IS THIS MONEY COMING FROM FOR  
13 PRIVATE SECURITY? WE WERE TOLD LAST WEEK THAT SHE DIDN'T HAVE  
14 THE RESOURCES TO DO IT AND IT WAS OVERWHELMINGLY EXPENSIVE.

15 NOW APPARENTLY THERE ARE RESOURCES. AND I THINK THIS IS  
16 INDICATIVE OF AN ONGOING PROCESS WHERE HER NET WORTH HAS RISEN.  
17 IN EARLIER BOND PROCEEDINGS, WE DIDN'T EVEN KNOW ABOUT THESE  
18 DIVIDENDS.

19 WHAT WE WERE TOLD YESTERDAY ABOUT THE BOARD MEMBER, NOW A  
20 FORMER BOARD MEMBER, IS THAT HE WAS NOT INVOLVED IN AUTHORIZING  
21 THOSE DIVIDEND PAYMENTS, WHICH OF COURSE WOULD HAVE TO BE THE  
22 PROCESS THAT WOULD HAVE TO BE AUTHORIZED BY THE BOARD, WHICH  
23 SUGGESTS THAT THE DEFENDANT SIMPLY PAID HERSELF THE MONEY,  
24 WHICH GOES DIRECTLY TO HER ABILITY TO CONJURE UP MONEY WHEN SHE  
25 WANTS IT.

1           IN THAT REGARD, FOOTNOTE ONE STRUCK ME AS EXTREMELY  
2           INTERESTING IN THEIR SUBMISSION. THEY INDICATED THAT THE  
3           DEFENDANT MAY SEEK TO SELL SOME OF HER SHARES BACK TO THE  
4           COMPANY, BUT WHAT INTEREST WOULD AN INDEPENDENT COMPANY HAVE IN  
5           BUYING BACK THE DEFENDANT'S SHARES IN THIS TYPE OF SITUATION?

6           THAT CASTS SIGNIFICANT DOUBT ON THE INDEPENDENCE OF THE  
7           FIVE, THAT'S TO THE DEFENDANT'S BENEFIT, NOT TO THE COMPANY'S  
8           BENEFIT, AS ARE THESE PROPOSALS ABOUT PUTTING IN A RECEIVER TO  
9           MONITOR THE FINANCIAL FUNDS, THAT'S FOR THE DEFENDANT'S BENEFIT  
10          IN THESE BOND PROCEEDINGS, NOT FOR THE COMPANY'S BENEFIT, WHICH  
11          ALL GOES BACK TO THE QUESTION OF INDEPENDENCE THAT THE COURT  
12          RAISED, WHICH HAS NOT BEEN SATISFACTORILY MENTIONED.

13          THEY PROPOSE -- MY NEXT POINT, IS IN REGARDS TO THE  
14          INDEPENDENCE, THEY PROPOSE THAT SHE WILL, IN THE FUTURE,  
15          EXECUTE DOCUMENTS RELINQUISHING HER FORMAL CONTROL OF THE  
16          COMPANY, WHICH IS ONLY ONE PIECE, THERE IS THE FORMAL AND THE  
17          INFORMAL THROUGH THESE INTERMEDIARIES. BUT SPEAKING AS TO THE  
18          FORMAL, I DON'T THINK WE SHOULD BE HERE UNTIL THAT HAPPENS.

19          THE GOVERNMENT INTERVIEWED THE BOARD MEMBER, THE OTHER  
20          BOARD MEMBER, NOW FORMER BOARD MEMBER, AND WHAT WAS REPRESENTED  
21          ON AUGUST 23RD TO THIS COURT THAT \*DUN HAS "AN INDEPENDENT  
22          BOARD MEMBER, MS. HE IS NOT IN COMPLETE CONTROL OF THE COMPANY  
23          AND ITS ASSETS."

24          WHEN WE READ THAT QUOTATION TO MR. COHEN, WHO WAS THE ONE  
25          OTHER BOARD MEMBER WHO HAS NOW RESIGNED HIS POSITION, HE STATED

1 THAT THAT REPRESENTATION WAS MADE TO THE COURT WAS INACCURATE.  
2 HE HAD NO INVOLVEMENT OR ABILITY TO CONTROL THE COMPANY AND ITS  
3 ASSETS AND THAT THE DEFENDANT WAS IN COMPLETE CONTROL OF THE  
4 COMPANY AND ITS ASSETS.

5 HE FURTHER STATED THAT AFTER THE DEFENDANT'S ARREST, PRIOR  
6 TO THE DEFENDANT'S ARREST, HE WAS LIKE A QUASI ADVISOR, SPENT  
7 MAYBE FOUR HOURS RELATED TO DONE, NO FORMAL BOARD MEETINGS, NO  
8 BOARD PROCESS, NOT AWARE OF ANY BYLAWS. AFTER ARREST HE SAYS  
9 OH, MY GOODNESS, I HAVE THIS BIG PROBLEM, I'M AFFILIATED WITH  
10 THIS COMPANY, I'M TECHNICALLY ON A BOARD THAT HASN'T MET, I  
11 NEED TO DO SOMETHING.

12 HE FIRST THINKS ABOUT RESIGNING AND THEN HE'S ADVISED  
13 THROUGH COUNSEL THAT HE MAY HAVE SOME CORPORATE OBLIGATIONS.  
14 SO WHAT DOES HE DO? HE TRIES TO PUT TOGETHER A PACKAGE WHERE  
15 THE DEFENDANT, RELINQUISHING HER BOARD SEAT, WHERE HE BRINGS IN  
16 NEW BOARD MEMBERS, WHERE HE BRINGS IN NEW OUTSIDE COUNSEL,  
17 WHERE THEY REMEDIATE AND ENGAGE WITH THE GOVERNMENT.

18 AND HE MAKES THIS PROPOSAL, THROUGH COUNSEL, TO THE  
19 DEFENDANT, AND HE'S STYMIED WITH IT, WHICH ULTIMATELY LEADS TO  
20 HIS RESIGNATION, WHICH MEANS AT THE VERY LEAST, THE DEFENDANT  
21 WELL KNEW AT THE TIME THESE REPRESENTATIONS WERE BEING MADE TO  
22 THE COURT ABOUT THE INDEPENDENT BOARD MEMBER, THAT THEY SIMPLY  
23 WERE NOT TRUE AND THAT THE DEFENDANT HASN'T HAD MANY  
24 OPPORTUNITIES TO RELINQUISH HER CONTROL OF THE COMPANY IN THE  
25 MANY MONTHS SINCE SHE WAS ARRESTED IN JUNE AND HAS NOT DONE SO,

1 WHICH ULTIMATELY LEAD TO HIS RESIGNATION.

2 FURTHER, THE FIVE PEOPLE WHO ARE RUNNING THE COMPANY.  
3 WHEN WE WERE HERE LAST WEEK, THE COURT SAID, I'M HIGHLY  
4 SUSPICIOUS OF ANY RELATIONSHIP THAT ISN'T CLEARLY SEPARATE FROM  
5 ANY CONTROL SHE OR MEMBERS OF HER FAMILY OR FRIENDS CAN  
6 IMPORE.

7 I MEAN, YOU COULD PUT IN A SEPARATE RECEIVER, YOU COULD  
8 TAKE ALL THESE PEOPLE OUT AND PUT IN SOMEBODY WHO COULD RUN THE  
9 COMPANY. AND WHEN WE CORRESPONDED WITH DEFENSE COUNSEL LAST  
10 WEEK, WE TOLD THEM THAT JUST HAVING SOMEONE OVERSEE THE FUNDS  
11 WAS NOT, IN THE GOVERNMENT'S VIEW, SUFFICIENT.

12 FURTHER, WE HAVE INTERVIEWED PEOPLE AS OF YESTERDAY, THE  
13 GOVERNMENT'S INVESTIGATION IS ONGOING, AND WE THINK GIVEN  
14 SOMETHING WAS FILED THIS MORNING, IF THE COURT WANTS A FULL  
15 BRIEFING, WE ARE HAPPY TO FILE A BRIEF, BUT WE THINK THAT  
16 SHOULD HAPPEN AFTER THERE IS A FORMAL PROPOSAL.

17 BUT WHAT WE HEARD YESTERDAY IN AN INTERVIEW OF ANOTHER  
18 WITNESS IS THAT NONE OF THESE FIVE PEOPLE ARE INDEPENDENT OF  
19 THE DEFENDANT. THESE INDIVIDUALS ARE CLOSE ASSOCIATES OF THE  
20 DEFENDANT, THEY'RE THE DEFENDANT'S PROXIES. MANY OF THEM ARE  
21 IN FACT LOCATED OUTSIDE OF THE UNITED STATES.

22 AND THIS GOES TO THE GOVERNMENT'S CONCERN THAT THIS IS  
23 REALLY A FOREIGN ENTERPRISE AT THIS POINT, IT WAS DESIGNED TO  
24 BE A FOREIGN ENTERPRISE AS PART OF THIS PLAN TO OBSTRUCT THE  
25 INVESTIGATION, THE CRITICAL PERSONNEL, EVIDENCE IS LOCATED

1 OVERSEAS, AND IT'S NOT CLEAR -- I UNDERSTAND THAT COUNSEL AND  
2 COMPANY COUNSEL IS REPRESENTING THAT THEY BELIEVE THAT THESE  
3 PEOPLE ARE INDEPENDENT, THAT THEY BELIEVE THAT THEY HAVE NO  
4 ASSOCIATION WITH THE WRONGDOING, THE EFFORTS TO OBSTRUCT,  
5 TRANSFER FUNDS THAT MS. HE IS INVOLVED WITH, BUT THEY ALSO HAVE  
6 NO BASIS REALLY FOR KNOWING THAT AND NO ABILITY IN FACT TO  
7 VERIFY THAT.

8 AND SO THIS IS, IN THE GOVERNMENT'S VIEW, COMPLETELY  
9 INSUFFICIENT AS TO OBSTRUCTION, AS TO DANGEROUSNESS. AND ONE  
10 ALARMING THING WE LEARNED JUST THE DAY BEFORE YESTERDAY IS THAT  
11 AFTER THE DEFENDANT'S ARREST, COMPANY COUNSEL REPRESENTED TO  
12 THE GOVERNMENT THAT THE COMPANY WAS NO LONGER TAKING NEW  
13 PATIENTS.

14 AND THAT WAS SIGNIFICANT TO THE GOVERNMENT'S ASSESSMENT TO  
15 THE RISK OF DANGER. I MEAN, IT WAS QUITE CLEARLY CONCERNED  
16 THAT THE COMPANY HAD IN THE DEFENSE -- IN THE COMPANY COUNSEL'S  
17 ESTIMATION, 40 TO 50,000 ONGOING PATIENTS, AND IN THE  
18 GOVERNMENT'S VIEW, A SIGNIFICANT NUMBER OF THOSE WERE RECEIVING  
19 MEDICALLY UNNECESSARY PRESCRIPTIONS.

20 BUT IT IS A MUCH MORE HEIGHTENED LEVEL OF CONCERN IF THE  
21 COMPANY WAS IN FACT TO BE ENGAGED IN ONGOING OPERATIONS  
22 ACCEPTING NEW PATIENTS, PARTICULARLY IF IT WAS CONTINUING TO  
23 USE SOME OF THE POLICIES AND PROTOCOLS THAT THE DEFENDANT  
24 HERSELF PUT IN PLACE UNDER THIS MANAGEMENT TEAM.

25 AND WHAT THE GOVERNMENT FOUND OUT THROUGH ITS OWN

1 INVESTIGATIVE EFFORTS, NOT THROUGH THE EFFORTS OR THE  
2 DISCLOSURES BY COMPANY COUNSEL, IS THAT NOW THE COMPANY, YES IS  
3 IN FACT TAKING NEW PATIENTS, WHICH SIGNIFICANTLY RAISES THE  
4 STAKES AS TO DANGEROUSNESS, AS TO THREAT TO THE COMMUNITY. AND  
5 WHEN WE HAVE TO GO AND ASK COMPANY COUNSEL TO CONFIRM THAT, HE  
6 INDICATED THAT IN FACT THEY WERE.

7 MR. PETERS: CAN WE --

8 THE COURT: I WILL GET TO YOU.

9 MR. FOSTER: 24/7 SECURITY.

10 AND AGAIN, WE ARE HAPPY TO BRIEF ALL OF THIS, YOUR HONOR,  
11 BUT IT'S ONLY AS GOOD AS THE TRUSTWORTHINESS OF THE DEFENDANT.  
12 THE COURT KNOWS THAT WELL. NOT ONLY THE CASE THE COURT IS  
13 FAMILIAR WITH BUT THE CASE DOWN IN THE SOUTHERN DISTRICT OF  
14 CALIFORNIA, WHERE HE WAS UNDER 24/7 SECURITY, CUT HIS TETHER  
15 AND WAS ABLE TO MAKE IT TO A FOREIGN JURISDICTION.

16 HE OF COURSE -- LUCKILY ENOUGH, THAT WAS AN EXTRADITABLE  
17 COUNTRY AND SO HE WAS ULTIMATELY EXPEDITED BACK TO THE UNITED  
18 STATES, BUT AS THE COURT HAS NOTED IN THIS SITUATION, THE  
19 DEFENDANT HAS TALKED TO GOING TO JURISDICTIONS WITHOUT  
20 EXTRADITION, AND THAT MAKES THE SITUATION SIGNIFICANTLY  
21 DIFFERENT. IT ALSO DOESN'T PREVENT THE TYPES OF OBSTRUCTION  
22 AND DANGEROUSNESS WE HAVE TALKED ABOUT.

23 FURTHER, THEY TALKED ABOUT THEY CAN PUT IN AN INDEPENDENT  
24 COMPANY TO MONITOR FUNDS. AND IN TERMS OF THE DETAILS OF THIS  
25 AND THE DETAILS OF PRIVATE SECURITY, THE FIRST TIME WE ARE



1       SEEING ANY DETAILS WHATSOEVER ABOUT IT IN TERMS OF THE  
2       COMPANIES, ET CETERA, IS THIS MORNING. BUT ONE THING THAT I  
3       WOULD NOTE THAT IS PARTICULARLY ALARMING IN RELATION TO THE  
4       PAST REPRESENTATIONS MADE TO THE COURT, IS THAT IN THEIR BRIEF,  
5       ECF 48 AT 16 TO 17, THE DEFENSE ALREADY REPRESENTED THAT  
6       DEFENDANT WASN'T A FLIGHT RISK BECAUSE SHE HAD "HIRED A FORMER  
7       DEA AGENT TO SERVE AS ITS COMPLIANCE OFFICER."

8               NOW THE GOVERNMENT HAS INTERVIEWED THIS FORMER DEA AGENT  
9       WHO PURPORTEDLY WAS THE COMPLIANCE OFFICER AND PURPORTEDLY  
10       ENSURED THE DEFENDANT'S GOOD FAITH AND ENSURED THE LEGITIMACY  
11       OF THE COMPANY AND ALL THAT, HE TOLD THE GOVERNMENT THAT HE  
12       FELT HE WAS USED AS COVER AND THAT "HE WAS GIVEN A FALSE  
13       IMPRESSION OF DONE BY RUTHIA, ON THE COMPANY AND ITS  
14       COMPLIANCE".

15              AND THEREIN LIES THE PROBLEM, YOUR HONOR, HAVING  
16       INTENTIONALLY SOUGHT TO OBSTRUCT THIS INVESTIGATION, PLACED THE  
17       COMPANY'S OPERATIONS IN CHINA AND IN THE HANDS OF CLOSE  
18       ASSOCIATES, INFORMATION THAT WOULD BE PROFFERED TO THE COURT,  
19       TO A MONITOR, TO FORMER LAW ENFORCEMENT AGENTS, TO A COMPANY,  
20       IS ONLY RELIABLE AS THE SOURCES PROVIDING IT.

21              AND AT THIS POINT THE GOVERNMENT HAS NO CONFIDENCE AND  
22       SUBMITS THE COURT SHOULD HAVE NO CONFIDENCE IN THE LEGITIMACY  
23       OF ANY OF THOSE REPRESENTATIONS OR THE ABILITY OF ANYONE COMING  
24       IN NEW TO BE ABLE TO MONITOR WHAT IS GOING ON IN A COMPANY  
25       OPERATED IN LARGE EXTENT FROM OVERSEAS.

1           SO I THINK I WOULD FINALLY NOTE THAT THE NEWLY PROPOSED  
2       PACKAGE DOES NOT ADDRESS THE COURT'S CONCERNS, INCLUDING AN  
3       INDEPENDENT MONITOR FOR OPERATIONS, BUT YOU COULD PUT IN A  
4       SEPARATE RECEIVER, A GREATLY INCREASED SECURED BOND. "I DOUBT  
5       I WOULD FIND ANYTHING SATISFACTORY OTHER THAN TAKING THE 9  
6       MILLION AND DEPOSITING IT WITH THE COURT." AND IF SHE CAN SELL  
7       THESE SHARES, WHETHER THROUGH A BUY BACK OR OTHER MEANS, IF  
8       THEY HAVE LIQUIDITY BECAUSE THIS COMPANY IS STILL GENERATING  
9       MILLIONS OF DOLLARS OR HOWEVER MUCH IT'S GENERATED A MONTH,  
10      THEN IN ADDITION TO THE 800,000, NONE OF WHICH SHE'S OFFERED  
11      DEPOSED IN HER OWN ASSETS, SHE HAS ANOTHER LUCRATIVE SOURCE OF  
12      FUNDS THAT SHE'S NEVER DISCLOSED, WHICH IS HER NEAR TOTAL  
13      CONTROL OF DONE IN THE FORM OF SHARES, THAT ARE VALUABLE,  
14      WHETHER BOUGHT BY THE COMPANY OR WHATEVER.

15           BUT MORE IMPORTANTLY, WE THINK THAT ADDITIONAL EVIDENCE  
16      THAT HAS BEEN DEVELOPED IN THE FORM OF INFORMATION FROM HER  
17      ORIGINAL SURETOR, WHO IS ONE OF THE PEOPLE WHO KNEW HER THE  
18      BEST, WOULD INFORM THE COURT THAT SHE WOULD BE A FLIGHT RISK IF  
19      SHE WAS LET OUT ON RELEASE, TO THE FACT THAT NONE OF THOSE  
20      ORIGINAL SURETORS CAME HERE VOUCHING FOR HER TODAY, TO THE  
21      ADDITIONAL INFORMATION AS TO OBSTRUCTION AND THE ABILITY TO  
22      TRUST THE REPRESENTATIONS THAT SHE MAKES.

23           WE SUBMIT THAT THE COURT SHOULD REACH THE SAME CONCLUSION  
24      REACHED BY MAGISTRATE JUDGE HIXSON WHEN HE SAID, I DON'T THINK  
25      IT'S POSSIBLE TO MITIGATE AGAINST THIS LEVEL OF RISK OF FLIGHT.

1 AND HE DID SO NOT -- CERTAINLY NOT SOLELY AS A QUESTION OF  
2 FUNDS, BUT THERE'S THE QUESTION OF THIS REPEATED AND EGREGIOUS  
3 COURSE OF CONDUCT TO DELETE THINGS, TO -- IN THE FACE OF  
4 WIDESPREAD PUBLICITY IN THE *WALL STREET JOURNAL* AND OTHER MAJOR  
5 NEWS MEDIA PUBLICATIONS THAT RAISE CONCERNS ABOUT THE  
6 LEGITIMACY OF HER PRACTICES, TO DOUBLE DOWN ON THEM; IN THE  
7 FACE OF MOTHERS CALLING IN ABOUT THEIR CHILDREN WHO HAD  
8 OVERDOSED AND DIED, TO MAKE CLEAR NOT BECAUSE OF THE ADDERALL,  
9 BUT BECAUSE THEY ALLEGED THAT THE ADDERALL PRECIPITATED A  
10 DISSENT FROM SOBRIETY THAT LEAD TO AN OVERDOSE AND DEATH.

11 AND WHEN OTHERS IN THE COMPANY VIEWED THIS AND TOLD THE  
12 DEFENDANT, WE SHOULD CHANGE THE PRACTICES, SHE PERSISTED,  
13 DIDN'T CHANGE A THING; TO WHEN SHE RECEIVED A GOVERNMENT  
14 SUBPOENA AND DOUBLED DOWN ON THE OBSTRUCTION AND THE PLAN FOR  
15 FLIGHT.

16 AND HAVING DOUBLED DOWN ON THE CRIME, WE SUBMIT THAT  
17 WHATEVER QUANTUM OF RESOURCES SHE HAS ACCESS TO, SHE'S FULLY  
18 CONFIDENT, SELF-PORTRAYED AS A GENIUS, THAT IF SHE MAKES IT  
19 BACK TO CHINA, SHE WILL BE ABLE TO GENERATE ENOUGH FUNDS TO  
20 HAVE A COMFORTABLE LIFE WITH HER FAMILY AND FRIENDS.

21 AND THEREFORE WE THINK THIS PROPOSAL IS INADEQUATE. IF  
22 THE COURT IS GOING TO CONSIDER IT, WE WOULD LIKE THE  
23 OPPORTUNITY TO BRIEF IT, BUT WE SUBMIT THE COURT SHOULD SIMPLY  
24 DENY THIS AND WE WILL BE READY TO PROCEED TO TRIAL AT ANY DATE  
25 SET BY THE COURT.

1 THE COURT: YOUR VIEW?

2 MR. PETERS: YOUR HONOR, SO MUCH OF WHAT COUNSEL SAYS  
3 IS NOT TRUE, AND I'M GOING TO TALK ABOUT THAT SPECIFICALLY.

4 SO MUCH OF WHAT COUNSEL SAID IS DIRECTED AT THIS  
5 OBSTRUCTION CHARGE IN THE CASE. OUR PROPOSAL IS DIRECTLY  
6 ADDRESSED TO THE POSSIBILITY OF FLIGHT, TO PUT TOGETHER A  
7 SERIES OF CONDITIONS WHICH MAKE FLIGHT IMPOSSIBLE, ABSOLUTELY  
8 IMPOSSIBLE TO ACCOMPLISH, AND WE HAVE PROPOSED A BUNCH OF STEPS  
9 TO DO THAT.

10 THE STRENGTH OF THE OBSTRUCTION CASE OF COURSE IS NOT  
11 REALLY RELEVANT TO THE ISSUE OF FLIGHT, AND THE STRENGTH OF THE  
12 CASE IS THE LEAST SIGNIFICANT BAIL FACTOR, BUT I'M GOING TO  
13 TALK ABOUT IT BECAUSE COUNSEL SPENT SO MUCH TIME TALKING ABOUT  
14 THIS PURPORTED OBSTRUCTION.

15 I DO WANT TO REMIND THE COURT THAT THIS IS THE SAME LAWYER  
16 WHO TOLD THE COURT THAT SHE INTENDED TO FLEE TO COSTA RICA.  
17 AND THAT WAS FALSE. THIS IS SAME PROSECUTOR WHO TOLD THE COURT  
18 THAT SHE USED TWO PASSPORTS, AND THAT OF COURSE WAS ALSO FALSE.

19 THE FIRST EXHIBIT IN THE GOVERNMENT'S SUBMISSION THAT I  
20 KNOW YOUR HONOR READ IS A DOCUMENT -- THAT RELATES TO BEST  
21 PRACTICES AND THE GOVERNMENT CLAIMS THAT THAT DOCUMENT WAS  
22 DESTROYED, BUT WHAT COUNSEL ALSO KNOWS IS THAT AFTER MAKING  
23 THAT ARGUMENT TO YOUR HONOR LAST WEEK, THEY GOT A LETTER FROM  
24 THE COMPANY'S LAWYER AT FENWICK WITH COPIES OF THAT DOCUMENT  
25 WHICH HAD IN FACT BEEN PRODUCED TO THE GOVERNMENT, TO SAY YOU

1 TOLD THE COURT THAT THIS BEST PRACTICES DOCUMENT WAS DESTROYED.  
2 BUT HERE ARE COPIES OF IT, THEY HADN'T BEEN DESTROYED.

3 HE ALSO TOLD THE COURT LAST WEEK THESE GOOGLE E-MAIL  
4 ACCOUNTS WERE DELETED BY THE COMPANY, AND I KNOW THAT WAS  
5 SOMETHING THAT CONCERNED THE COURT.

6 AND THIS LETTER FROM MR. STESKAL OF FENWICK TO THE  
7 GOVERNMENT, WHICH I HAVE A COPY OF AND I CAN HAND TO  
8 YOUR HONOR, AND YOU CAN LOOK AT IT --

9 MR. FOSTER: ARE YOU GOING TO SUBMIT A RESPONSE TO  
10 THE LETTER?

11 MR. PETERS: PLEASE DON'T INTERRUPT ME. PLEASE DON'T  
12 INTERRUPT ME, SIR.

13 THE LETTER FROM FENWICK SAID THAT THE GOOGLE E-MAILS WERE  
14 NOT DESTROYED AND THAT THEY ALSO HAD BEEN PRODUCED TO THE  
15 GOVERNMENT.

16 HE TALKS ABOUT -- I CAN'T BELIEVE I HEARD THIS -- THAT A  
17 PERSON HAD DIED. THE PERSON WHO DIED, DIED OF SOME KIND OF  
18 OPIOID OVERDOSE, SOME KIND OF FENTANYL OR OPIOID OVERDOSE. TO  
19 TRY AND LAY THAT ON MS. HE IN THE CONTEXT OF DANGEROUSNESS IN  
20 THIS HEARING IS REALLY, REALLY INAPPROPRIATE.

21 THE EXHIBITS THAT YOUR HONOR SAW RELATING TO THIS  
22 OBSTRUCTION CASE DATE BACK PRIMARILY TO 2022 AND EARLY 2023.  
23 AND WHAT WE HAVE STRESSED TO THE COURT IS STARTING IN  
24 FEBRUARY 23RD, MS. HE GAVE HER PASSPORT TO HER LAWYER. SHE WAS  
25 ASKED NOT TO TRAVEL, SHE DIDN'T. SHE ASKED TO TRAVEL IN

1 DECEMBER, SHE DIDN'T. SHE BOUGHT LAND IN GEORGIA. THEIR  
2 THEORY IS THAT WHILE SHE DIDN'T TAKE IT SERIOUSLY, BUT AS IT  
3 BECAME MORE SERIOUS, SHE WAS INTENDING TO FLEE. THAT'S THIS  
4 WHOLE COSTA RICA STORY WHICH IS JUST UTTER NONSENSE.

5 WHAT ACTUALLY HAPPENED IS THAT AS THE INVESTIGATION BECAME  
6 MORE SERIOUS, SHE BECAME MORE WILLING TO COOPERATE WITH THE  
7 GOVERNMENT. AND NOW WHAT WE ARE PROPOSING IS A VERY DRAMATIC  
8 AND DRACONIAN SERIES OF CONDITIONS WHICH WOULD MAKE IT  
9 IMPOSSIBLE FOR HER TO FLEE.

10 SO LET ME DIRECT MYSELF -- WELL BEFORE I TALK ABOUT THE  
11 CONDITIONS AND HOW WHAT WE ARE PROPOSING WOULD WORK, LET ME  
12 TALK ABOUT THIS ARGUMENT ABOUT \$13 MILLION.

13 COUNSEL KEEPS SAYING THERE'S \$13 MILLION OF TRANSFERS OUT  
14 THERE, AND WE HAVE PROVIDED THE EVIDENCE TO THE DEFENSE. THEY  
15 SENT US ABOUT A THOUSAND PAGES OF DOCUMENTS, WE HAVE LOOKED  
16 THROUGH THEM. I DON'T HAVE ANY IDEA WHAT THEY ARE TALKING  
17 ABOUT. SO I HAVE SENT THIS PROSECUTOR SEVERAL E-MAILS SAYING,  
18 IN THEIR BRIEF TO THE COURT THEY REPRESENT FINANCIAL ANALYSIS,  
19 SHOWS THAT THERE'S 13 MILLION WORTH OF TRANSACTIONS.

20 SHOW US THE FINANCIAL ANALYSIS. SHOW US THE TRANSACTIONS.  
21 WHEN DID THEY TAKE PLACE? WHO RECEIVED THE MONEY? IF YOU  
22 DON'T WANT TO GIVE US ALL YOUR FINANCIAL ANALYSIS, PICK THE  
23 THREE BEST ONES BECAUSE I DON'T KNOW WHAT YOU ARE TALKING  
24 ABOUT, ABOUT THIS \$13 MILLION. I REALLY DON'T.

25 AND HE DOESN'T RESPOND. HE DOESN'T ANSWER THAT BASIC

1 QUESTION. IF THERE'S \$13 MILLION, POINT OUT ONE OF THOSE  
2 TRANSACTIONS TO ME SO I CAN RESPOND TO IT. I THINK IT'S MADE  
3 UP OR IT'S OLD TRANSACTIONS THAT TOOK PLACE PRIOR TO 2022, BUT  
4 I DON'T KNOW WHAT THEY ARE TALKING ABOUT.

5 THE ISSUE ABOUT MAKE BELIEVE, WE HAVE BEEN WORKING ON THAT  
6 AND WE CONTINUE TO WORK ON THAT. WE HAVEN'T GOTTEN MUCH  
7 COOPERATION FROM MAKE BELIEVE OR ACTUALLY FROM THE PEOPLE AT  
8 DONE. AND I THINK THAT'S BECAUSE THEY ARE ALL FRIGHTENED WITH  
9 THE GOVERNMENT RUMMAGING AROUND. AND I'M NOT CRITICIZING THEM  
10 FOR THAT, BUT WE DO HAVE SOME EVIDENCE ABOUT MAKE BELIEVE AND  
11 WHAT WAS GOING ON. EVERY PIECE OF EVIDENCE I'VE SEEN IS  
12 CONSISTENT WITH WHAT I TOLD THE COURT ON FRIDAY.

13 HE JUST COMPLAINED. COUNSEL JUST COMPLAINED THAT THEY  
14 MOVED OPERATIONS OF THE COMPANY TO OFFSHORE. THERE'S NOTHING  
15 WRONG WITH THAT, THERE IS NOTHING SINISTER ABOUT THAT, LOTS OF  
16 COMPANIES HAVE THEIR OPERATIONS OFFSHORE, BUT WHAT IT POINTS  
17 OUT IS THAT THEY KNOW THAT THERE ARE EMPLOYEES OFFSHORE WHO  
18 HAVE TO GET PAID AND THEY HAVE ACCESS TO THE RECORDS, AND OUR  
19 POINT IS THAT THOSE TRANSFERS TO MAKE BELIEVE WERE TO PAY  
20 CONTRACTORS AND EMPLOYEES, AND WE ARE TRYING TO GET THE  
21 DOCUMENTS TO ESTABLISH THAT IF IT'S NECESSARY.

22 BUT WHAT WE FOCUSED ON INSTEAD IS PROVIDING THE COURT WITH  
23 A COMBINATION OF CONDITIONS WHICH ADDRESSED THE COURT'S CONCERN  
24 ABOUT FLIGHT, BECAUSE WE HEARD THAT LOUD AND CLEAR, AND SO WHAT  
25 HAVE WE PUT FORTH AND WHAT ARE THE OBJECTIONS ABOUT THAT?

1 COUNSEL SAYS WE MUST BE LYING BECAUSE WE TOLD THE COURT  
2 THAT MS. HE HAS A TOTAL OF \$800,000 OF ASSETS AND OVER TWO  
3 HUNDRED OF THAT IS TIED UP IN LAND, SO SHE'S GOT ABOUT SIX  
4 HUNDRED IN LIQUID ASSETS. BUT THEIR ARGUMENT IS IT'S THE --  
5 THE COMPANY HAS \$8 MILLION. YOU PUT IT ALL TOGETHER, SHE COULD  
6 HAVE THAT MONEY.

7 HOW ARE WE GOING TO PAY FOR THE GUARD? WE ARE SUPPOSEDLY  
8 LYING ABOUT THAT. BECAUSE AS PART OF THIS CORPORATE  
9 RESTRUCTURING DEAL, WHAT THE COMPANY IS GOING TO DO IS  
10 ACKNOWLEDGE ITS INDEMNITY OBLIGATIONS UNDER DELAWARE LAW AND  
11 ITS BYLAWS TO MS. HE, AND AS PART OF THIS FORMAL SEPARATION, WE  
12 ARE GOING TO ESTABLISH AN INDEMNIFICATION SO THAT ATTORNEY'S  
13 FEES CAN BE PAID AND EXPENSES REASONABLY RELATED TO THE DEFENSE  
14 OF THE CASE CAN BE PAID.

15 AND WE BELIEVE UNDER DELAWARE LAW THAT THE GUARD WOULD BE  
16 AN APPROPRIATE EXPENSE AS PART OF THE DEFENSE. WE ARE ACTUALLY  
17 IN DISCUSSIONS WITH THE COMPANY ABOUT THAT. THEY ARE NOT SO  
18 SURE THEY AGREE WITH IT, BUT WHERE IS THE MONEY GOING TO COME  
19 FROM TO PAY FOR THE 24/7 GUARD WITH HER? IT'S GOING TO COME  
20 FROM THIS DEAL WE ARE PROPOSING TO MAKE WITH THE COMPANY.

21 COUNSEL COMPLAINS ABOUT THE TIMING OF THE RESTRUCTURING.  
22 WE COMPLETELY UNDERSTAND THAT WE ARE NOT HERE TODAY WITH THE  
23 SIGNED PAPER. BUT LET ME JUST REVIEW WHAT WE ARE PROPOSING AND  
24 WHY. WE ARE PROPOSING A 24/7 GUARD, SOMEONE LIKE THIS  
25 GENTLEMAN WITH MS. HE ALL DAY LONG, THREE DIFFERENT SHIFTS OF



1 EIGHT HOURS. SHE'S GOT AN ANKLE BRACELET ON. THE GUARD HAS  
2 ACCESS TO THAT TRACKING DATA. SHE DOESN'T HAVE A PASSPORT. SO  
3 SHE WOULD HAVE TO SOMEHOW FAKE THE GUARD, CUTOFF THE ANKLE  
4 BRACELET AND GO TO THE SAN FRANCISCO AIRPORT WHERE SHE DOESN'T  
5 HAVE A PASSPORT. AND IF SHE TRIES THAT AND GETS CAUGHT, SHE'S  
6 COMMITTING AN ADDITIONAL CRIME, SHE'S GOING TO RIGHT TO JAIL.  
7 WE ARE DOING EVERYTHING WE CAN THINK OF TO ADDRESS THE COURT'S  
8 CONCERN AND TAKE THAT AN IMPOSSIBILITY.

9 THE COURT EXPRESSED A CONCERN ABOUT HER ACCESS TO THE  
10 COMPANY'S CASH, IN THE CONTEXT OF THE FLIGHT. SO WHAT HAVE WE  
11 DONE TO TRY AND ADDRESS THAT CONCERN? TWO THINGS: WE ARE  
12 GOING TO FORMALLY REMOVE HER FROM THE COMPANY WHERE SHE'S GOING  
13 TO PUT HER SHARES IN A TRUST SO THAT SHE CAN'T VOTE. SHE HAS  
14 NO ACTUAL AUTHORITY OVER THE COMPANY. THERE WOULD BE AN  
15 INDEPENDENT TRUSTEE OF THOSE TRUSTS WHO WOULD HAVE THE RIGHT TO  
16 VOTE THOSE SHARES IN THE BEST INTEREST OF THE COMPANY, BUT SHE  
17 NO LONGER HAS ANY CONTROL OVER THE COMPANY. AND THE COMPANY'S  
18 CASH, PRESENT AND FUTURE? THE COMPANY GENERATES CASH HERE IN  
19 THE U.S., SO THE COMPANY'S CASH GOES INTO A BANK ACCOUNT --

20 THE COURT: BEFORE YOU GO TOO LONG ON THIS CORPORATE  
21 THING, LET ME JUST GIVE YOU MY TAKE ON IT.

22 MR. PETERS: YEAH.

23 THE COURT: I THINK IT'S -- WELL, LET'S SEE, I KNOW  
24 EVERYTHING IS RELEVANT, BUT IT'S THE LEAST RELEVANT FACTOR FOR  
25 THE COURT TO CONSIDER, IN THE SENSE THAT I THINK THAT WHAT HAS

1 BEEN PRESENTED TO ME UP UNTIL NOW, IS THAT THE DEFENDANT HAS  
2 ARGUABLY ACCESS TO WHAT I WOULD SAY SUBSTANTIAL MONEY. AND I'M  
3 NOT SAYING SHE SHOULDN'T OR THAT'S WRONG OR THAT'S EVIDENCE OF  
4 SOMETHING, I DON'T KNOW, I MEAN THERE ARE A LOT OF WEALTHY  
5 PEOPLE WHO COME IN AND THEY HAVE TREMENDOUS ACCESS TO MONEY.

6 SO I THINK THAT -- I THINK THAT I AM SORT OF EMBARKED ON  
7 AN ERRAND THAT'S NOT GOING TO WORK OUT IF I HAVE TO TRY TO  
8 FIGURE OUT WHETHER WE COULD PUT INTO PLACE SOME CONSTRUCT OF  
9 CONTROLS AND INDEPENDENT BOARDS AND ALL OF THIS THAT WE ARE  
10 TALKING ABOUT IN ORDER TO ESSENTIALLY DENY HER ACCESS TO THESE  
11 FUNDS.

12 MAYBE IT WOULD WORK, MAYBE IT WOULDN'T, AND ALSO MAYBE  
13 IT'S UNFAIR. YOU KNOW, I'M NOT TAKING -- I DON'T KNOW THE  
14 EVIDENCE OF GUILT HERE. YOU KNOW, I DON'T. AND THAT'S THE  
15 LEAST THAT I CAN CONSIDER, I THINK, UNDER THE BAIL REFORM ACT.

16 AND SHE WALKS IN, THERE IS A PRESUMPTION OF INNOCENCE, AND  
17 SHE HAS A COMPANY, THE COMPANY OBVIOUSLY HAS MADE VAST SUMS OF  
18 MONEY OR LARGE SUMS OF MONEY, SOME OF WHICH I KNOW THAT THE  
19 GOVERNMENT CONTENDS IS ILLEGAL.

20 I DON'T KNOW, I MEAN, I DON'T HEAR THAT, I DON'T HEAR THIS  
21 IS A PONZI SCHEME, I DON'T HEAR THAT. AND I'VE SEEN A LOT OF  
22 PONZI SCHEMES. THEY ARE NOT SAYING THAT, THEY ARE SAYING THAT  
23 THERE WAS A PRACTICE, WHICH BY THE WAY MAY HAVE BEEN THE  
24 DRIVING FORCE TO SKIRT THE CONTROLLED SUBSTANCES ACT, AND THAT  
25 THROUGH THAT SHE ACQUIRED A GREAT DEAL OF WEALTH. THAT'S WHAT

1       THEY ARE SAYING.

2               BUT IF YOU -- AND I THINK THE GOVERNMENT IS VERY CAREFUL  
3       IN WHAT IT SAID, IT'S NOT THAT EVERYBODY HAS GOTTEN MEDICATION,  
4       YOU KNOW, DOESN'T -- IT'S NOT WARRANTED THAT THEY GOT  
5       MEDICATION, I DON'T EVEN THINK THEY ARE SAYING THAT EVERYBODY  
6       WHO GOT MEDICATION DIDN'T GO THROUGH A PROPER PROCEDURE TO GET  
7       MEDICATION. I DON'T KNOW TOO MUCH ABOUT THIS COMPANY AND ABOUT  
8       THE FACTS OF THE CASE, SO I SIT HERE AND I THINK, YOU KNOW, SHE  
9       MAY BE ENTITLED TO SOME OF THIS MONEY, MAYBE SOME OF THE MONEY  
10      IS NOT ILL GOTTEN GAINS, MAYBE A LOT OF IT IS NOT THE SUBJECT  
11      OF ILL GOTTEN GAINS. AND AGAIN, IT STRIKES ME THAT TO CUT HER  
12      OFF FROM THE FUNDS, THAT IS THE BENEFICIAL USE OF THE FUNDS,  
13      MAY BE UNFAIR IN SOME REAL SENSE.

14              I DON'T WANT TO FORECLOSE HER FROM PRESENTING A VIGOROUS  
15      DEFENSE. I DON'T THINK THAT'S FAIR. AND I COME -- LISTEN,  
16      I'VE DONE DOING THIS A LONG TIME AND I AM A STRONG BELIEVER,  
17      AND I THINK EVERYBODY IS, IN THE RIGHT OF A DEFENDANT TO USE  
18      WHAT RESOURCES THEY HAVE AVAILABLE TO DEFEND THEMSELVES IN A  
19      CRIMINAL PROSECUTION.

20              SO WHAT I'M SAYING TO YOU, MR. PETERS, IS I'M MUCH MORE  
21      CONCERNED ABOUT THE SYSTEM OF GUARDS, I'M MUCH MORE CONCERNED  
22      ABOUT FLIGHT, AND I AM ALSO CONCERNED, SUBJECT TO EFFORTS THAT  
23      APPARENTLY SHE MADE THROUGH THE SUBMISSION OF A GOVERNMENT TO,  
24      I GUESS THE WORD IS "OBSTRUCT," I THINK IT IS OBSTRUCT, IT IS  
25      DELETION OF E-MAILS, IT IS DELETION OF ACCESS TO ACCOUNTS, IT'S

1 ALL THAT SORT OF THING WHICH IS PART AND PARCEL -- AND BY THE  
2 WAY, THESE ARE ALLEGATIONS, THESE ARE ALLEGATIONS, I GOT THAT,  
3 BUT THERE SEEMS TO BE, FROM A VARIETY OF SOURCES, CORROBORATION  
4 OF THESE EFFORTS, THAT IS THE EFFORTS TO EVADE DETECTION.

5 OKAY. THOSE ARE TWO SORT OF BIG FOCAL POINTS IN MY MIND.  
6 SO THIS MORNING BEFORE I CAME OUT AND AFTER I READ YOUR  
7 SUBMISSION, I WENT BACK AND I LOOKED AT THE CONDITIONS OF DR.  
8 LYNCH. AND I WILL TELL YOU THEY ARE NOT APPLES AND APPLES  
9 BECAUSE DR. LYNCH BASICALLY HAD NO PLACE TO GO, THAT IS TO SAY  
10 HE COULDN'T -- NO, THAT'S NOT TRUE.

11 MR. PETERS: HE COULD NOT, YOUR HONOR.

12 THE COURT: THERE ARE PLACES TO GO. HE COULDN'T GO  
13 BACK TO HIS HOME. I MEAN, HE WAS EXPEDITED FROM GREAT BRITAIN.  
14 AND YOUR CLIENT COULDN'T -- IF SHE FLED TO CHINA, THAT WAS A  
15 TOTALLY DIFFERENT PICTURE THAN WHAT DR. LYNCH WAS FACING, OF  
16 COURSE THE ASSETS WERE VERY, VERY DIFFERENT, I UNDERSTAND THAT,  
17 BUT THE CONSEQUENCES WERE NOT.

18 AND THE CONSEQUENCES WERE DIFFERENT, THAT IS SHE WOULD --  
19 IF SUCCESSFUL IN HER FLIGHT, SHE WOULD NOT BE EXPEDITED, IN THE  
20 COURT'S OPINION, AND SHE WOULD -- AND THAT WOULD BE THE END OF  
21 THAT PROSECUTION AGAINST HER. SO THAT WAS A CONCERN.

22 SO I LOOKED AT DR. LYNCH'S CONDITIONS, WHICH I THINK YOUR  
23 PROPOSAL FALLS SHORT IN SOME RESPECTS, SO I THOUGHT I WANTED TO  
24 TALK TO YOU ABOUT IT. AND LET'S -- YOU KNOW, WE CAN GO BACK  
25 AND FORTH AND BACK AND FORTH, AND I UNDERSTAND THAT THE

1 GOVERNMENT TAKES THE POSITION THAT YOU STRONGLY BELIEVE IS  
2 INACCURATE, ERRONEOUS AND SO FORTH, AND THEY BELIEVE THAT YOU  
3 HAVE -- THAT THE REPRESENTATIONS COMING FROM THE DEFENSE ARE  
4 INACCURATE AND ERRONEOUS. AND I CAN SIT HERE ALL DAY TRYING TO  
5 FIGURE OUT WHO IS RIGHT AND WHO IS WRONG, TO WHICH AT THE END  
6 OF THE DAY, I MEAN, SO WHAT? I MEAN, THERE IS A CERTAIN "WHAT"  
7 TO SO WHAT, BUT IT'S NOT GOING TO REALLY -- FIRST OF ALL, I  
8 DON'T THINK I WOULD KNOW VERY MUCH MORE ABOUT THE BENEFIT OF AN  
9 EVIDENTIARY HEARING, AND A LENGTHY EVIDENTIARY HEARING, AND ONE  
10 SUBJECT TO CROSS-EXAMINATION AND SO FORTH.

11 SO LIKE, OKAY, WHY DON'T YOU JUST GET TO THE TRUTH OF THE  
12 MATTER ISN'T SO EASY FOR ME TO DO UNDER THIS SCENARIO; AND  
13 WHILE ULTIMATELY, IT COULD BE PRODUCTIVE AND INFORMATIVE, I  
14 DON'T THINK THAT THAT PROCESS IS REALLY A LOGICAL PROCESS  
15 UNLESS THESE CONDITIONS CAN'T BE MET.

16 SO I WANT TO READ THEM TO YOU AND I WOULD LIKE TO GET SOME  
17 FEEDBACK AS TO WHETHER OR NOT THESE CONDITIONS, WHICH AREN'T --  
18 WELL, THEY SPEAK FOR THEMSELVES.

19 OKAY. HERE IT SAYS, "DEFENDANT SHALL DELIVER TO THE CLERK  
20 OF COURT A BOND IN THE AMOUNT OF \$100 MILLION SECURED BY \$50  
21 MILLION IN CASH, AND WIRE TRANSFER AN UNENCUMBERED SHARES OF  
22 PUBLICLY TRADED STOCK ACCOMPANIED BY POWER OR SALE OR  
23 COMBINATION THEREOF."

24 I DON'T KNOW WHETHER HER STOCK IS DONE, I DON'T KNOW HOW  
25 THAT FITS IN, IT'S NOT PUBLICLY TRADED, IS IT?

1 MR. PETERS: NO, IT'S NOT, NO.

2 THE COURT: SO I DON'T KNOW WHETHER THAT IN PART IS  
3 AN ANSWER TO "THE LIQUIDITY ISSUE OR THE MONEY ISSUE."  
4 OBVIOUSLY YOU HAVE COME FORWARD AND YOU HAVE SAID WE ARE GOING  
5 TO PUT OUT -- I FORGET WHAT YOUR PROPOSAL IS, HOW MUCH MONEY --  
6 SOME SUM OF MONEY IN CASH, A BOND GREATER THAN THE CASH, I  
7 THINK YOU SAID \$500,000.

8 MR. PETERS: WE PUT 600,000 BOND AND 500,000 IN CASH.

9 THE COURT: SO IS THE ANSWER SOME COMBINATION OF  
10 THAT? THAT IS TO SAY CASH SHOULD BE MORE THAN 500 OR -- AND  
11 THE BOND SHOULD BE -- OBVIOUSLY THE BOND IS GREATER THAN THE  
12 CASH. WHAT SHOULD THE BOND AMOUNT BE? WHAT SHOULD THE CASH  
13 AMOUNT BE? I THINK THAT'S A QUESTION FOR A DISCUSSION, NOT  
14 RIGHT THIS SECOND.

15 MR. PETERS: OKAY. GOT IT. NO, I APPRECIATE THIS  
16 VERY MUCH.

17 THE COURT: ALL RIGHT.

18 NEXT, WHICH IS AGAIN THERE IS A CONTRAST HERE. "DEFENDANT  
19 SHALL BE CONFINED TO AN ADDRESS IN THE CITY AND COUNTY OF  
20 SAN FRANCISCO, SUBJECT TO THE APPROVAL OF THE U.S. ATTORNEY'S  
21 OFFICE AND THE COURT AND MAY ONLY TRAVEL FOR MEETINGS WITH  
22 COUNSEL, MEDICAL APPOINTMENTS AND COURT APPEARANCES, ALL OF  
23 WHICH MUST BE LOCATED IN THE CITY AND COUNTY OF SAN FRANCISCO;  
24 ANY FURTHER TRAVEL MUST BE APPROVED BY THE U.S. ATTORNEY'S  
25 OFFICE AND THE COURT."

1 I DON'T KNOW WHETHER IT OUGHT TO BE THE CITY AND COUNTY OF  
2 SAN FRANCISCO, BUT ESSENTIALLY THIS IS HOUSE ARREST, WHICH  
3 ISN'T WHAT YOU'VE SAID, AND I DON'T THINK, WITHOUT A LOT OF  
4 DISCUSSION, I COULD BE CONVINCED THAT SOMETHING OTHER THAN THAT  
5 ARRANGEMENT WOULD BE SATISFACTORY.

6 IN OTHER WORDS, WHAT I'M LOOKING AT HERE, BECAUSE OF THE  
7 RISK OF FLIGHT AND THE CONSEQUENCES OF FLIGHT, WHAT I'M LOOKING  
8 AT HERE IS ESSENTIALLY A HOUSE ARREST SITUATION WHERE SHE CAN'T  
9 GO ANYWHERE, OTHER THAN SHE CAN HAVE MEDICAL APPOINTMENTS AND  
10 SHE CAN MEET WITH HER LAWYERS AND SHE CAN COME TO COURT. AND  
11 THAT'S ESSENTIALLY TANTAMOUNT TO A CUSTODIAL SITUATION BUT  
12 HAVING THE ADVANTAGE OF NOT BEING IN A JAIL IN SANTA RITA.

13 MR. PETERS: AND BEING ABLE TO PARTICIPATE  
14 MEANINGFULLY IN PREPARATION --

15 THE COURT: THAT'S RIGHT. SO I MEAN, YOU WORK IT ALL  
16 OUT.

17 NOW THEN YOU GET TO THE GUARD SERVICE, AND HERE IT IS,  
18 "DEFENDANT SHALL BE GUARDED 24-HOUR BASIS BY A PRIVATE SECURITY  
19 COMPANY AT DEFENDANT'S EXPENSE." ET CETERA, ET CETERA,  
20 ET CETERA.

21 AND AGAIN, I WOULD -- THE AGREEMENT WE HAD WITH DR. LYNCH  
22 WAS TWO GUARDS AT ALL TIMES, AND I THINK -- YOU KNOW, I DON'T  
23 KNOW ANYTHING ABOUT THIS COMPANY, I DON'T KNOW -- ACTUALLY I  
24 DON'T KNOW ANYTHING ABOUT THE COMPANY THAT DR. LYNCH USED, BUT  
25 MY APPROACH TO THESE THINGS WAS I WOULD GIVE IT TO THE U.S.

1 ATTORNEY'S OFFICE AND SAY IS THERE ANYTHING -- IS THERE  
2 SOMETHING ABOUT THIS COMPANY I SHOULD KNOW? OR, YOU KNOW, IT  
3 WOULD BE EASIER, I SUPPOSE, IF YOU USED THE SAME COMPANY THAT  
4 DR. LYNCH USED, BUT I'M NOT IN THE BUSINESS, THAT'S A QUESTION  
5 THAT YOU WOULD HAVE TO -- THAT'S A MATTER OF YOUR CONCERN, AND  
6 A DISCUSSION WITH THE GOVERNMENT. IF THE GOVERNMENT COMES IN  
7 AND SAYS WE DON'T LIKE COMPANY A OR COMPANY B, I HAVE TO LISTEN  
8 TO WHAT THEY HAVE TO SAY AND FIGURE OUT WHY. BUT I THINK  
9 THAT'S A MATTER BEST LEFT TO DISCUSSIONS BETWEEN THE PARTIES  
10 RATHER THAN LET THE COURT JUMPING IN.

11 THEN OF COURSE ALL TRAVEL DOCUMENTS.

12 NOW THE ADDED COMPLEXITY OF YOUR CLIENT'S CASE OVER  
13 DR. LYNCH IS ACCESS TO A COMPUTER. AND I HAVE SOME VERY  
14 SERIOUS CONCERNS IN THAT REGARD BECAUSE THERE IS EVIDENCE IN  
15 THE RECORD OF DISCUSSIONS OF DELETIONS OF DOCUMENTS AND SO  
16 FORTH. AND A COMPUTER CAN GIVE THAT OPPORTUNITY TO A PERSON.

17 SO I WOULD RESTRICT, AS AN INDIVIDUAL WHO WOULD BE IN  
18 CUSTODY, I WOULD RESTRICT ACCESS TO A COMPUTER. WHAT I MEAN BY  
19 THAT, I'M NOT SURE, BUT I SIMPLY POINT OUT THAT IF SHE WERE IN  
20 CUSTODY, HER ACCESS TO A COMPUTER WOULD BE VERY LIMITED. SHE  
21 WOULD BE PERMITTED OF COURSE TO HAVE AN IPAD AND REVIEW  
22 DOCUMENTS AND SEE EVIDENCE AND SO FORTH, HOW MUCH MORE SHE  
23 WOULD HAVE IS A QUESTION THAT I WOULD ADDRESS IF THE U.S.  
24 ATTORNEY'S OFFICE RAISES IT AS AN ISSUE.

25 IN OTHER WORDS, I THINK AGAIN, AND I KNOW TEMPERAMENTS ARE



1       SUCH THAT IT'S DIFFICULT AT TIMES TO SIT DOWN AND WORK THESE  
2       THINGS OUT, BUT I THINK YOU ARE MUCH BETTER OFF ON BOTH SIDES  
3       TO SORT OF LET BYGONES BE BYGONES, IF THEY EVER ARE, AND SIT  
4       DOWN AND SEE WHETHER YOU CAN WORK OUT SOME ACCOMMODATION AS TO  
5       THE ISSUE.

6               I THINK IT'S IMPORTANT FOR YOU TO KNOW THAT OF THOSE LISTS  
7       OF CONCERNS, I'M VERY CONCERNED ABOUT FLIGHT, I'M VERY  
8       CONCERNED ABOUT OBSTRUCTION, I'M FAR LESS CONCERNED ABOUT  
9       ACCESS TO FUNDS.

10              MR. PETERS:   OKAY.

11              THE COURT:   BECAUSE TO ME, I DON'T KNOW, YOU KNOW,  
12       IT'S LIKE I'M NOT -- YOU KNOW, I SORT OF SAID IT AND I THINK  
13       EVERYBODY SORT OF UNDERSTANDS THERE ARE A LOT OF DIFFERENT  
14       THINGS GOING ON. I DON'T KNOW RELATIONSHIPS, I DON'T KNOW ARE  
15       THESE FIVE PEOPLE OR TEN PEOPLE OR TWENTY PEOPLE, HOW FRIENDLY  
16       ARE THEY, HOW INDEPENDENT WOULD THEY BE, WHAT ARE THE  
17       RESPONSIBILITIES OF THE COMPANY, WHAT ARE THE RESPONSIBILITIES  
18       TO MEMBERS OF THE FAMILY AND SO FORTH, WHATEVER HAPPENED IN THE  
19       PAST. I DON'T KNOW ANY OF THOSE THINGS, AND I DON'T WANT TO  
20       GET INTO IT BECAUSE IT'S TOO -- IT'S NOT UNKNOWN, BY THE WAY,  
21       IT PROBABLY IS UNKNOWABLE TO THE COURT, AND MY GUESS IS IN  
22       LARGE PART IT'S UNKNOWABLE TO THE LAWYERS BECAUSE THERE ARE  
23       RELATIONSHIPS THAT HAVE OCCURRED OVER TIME THAT YOU EITHER KNOW  
24       OR MAY NOT KNOW OR UNDERSTAND OR NOT UNDERSTAND, AND YOU HAVE  
25       FAMILY ISSUES, YOU HAVE ALL SORTS OF OTHER ISSUES. SO I WOULD

1       LIKE TO STAY OUT OF THE MONEY BUSINESS, SAVE AND EXCEPT FOR  
2       POSTING A SUBSTANTIAL AMOUNT OF CASH AND ANY REAL PROPERTY.

3               NOW --

4               MR. PETERS:   THE CLIENT -- THAT THE DEFENDANT HAS,  
5       UH-HUH.

6               THE COURT:   YEAH.

7               SO I DON'T KNOW WHAT THOSE AMOUNTS ARE.   I AM GOING TO  
8       ENCOURAGE -- I'M NOT DOING ANYTHING RIGHT NOW, AS YOU CAN  
9       GUESS, I'M ENCOURAGING THE PARTIES TO MEET AND CONFER ON THESE  
10      PARTICULAR ISSUES, SEE WHAT -- WHILE THERE MAY BE VAST  
11      DIFFERENCES OF OPINION BETWEEN THE PARTIES AS TO THE MERITS OF  
12      THE CASE AND/OR THESE OTHER THINGS THAT HAVE BEEN SAID, YOU'VE  
13      GOT TO TRY TO ARRIVE AT SOME ACCOMMODATION WHERE, NOT  
14      WITHSTANDING WHAT YOUR VIEW OF THINGS ARE OR HOW THEY OCCURRED,  
15      YOU CAN CONSTRUCT A SERIES OF CONDITIONS THAT ADDRESS FLIGHT  
16      AND OBSTRUCTION.

17              OKAY.   NOW WHY DON'T I JUST TRY TO ANSWER YOUR SPECIFIC  
18      QUESTIONS RATHER THAN GOING BACK AND FORTH AS TO LET ME EXPLAIN  
19      THIS AND LET ME EXPLAIN THAT AND WHY WE CAME TO THIS AND WHY WE  
20      CAME TO THAT.   AND I'M NOT FORECLOSING ANYBODY FROM WRITING  
21      ANYTHING THEY WANT TO WRITE ABOUT IT BUT I DON'T KNOW WHERE WE  
22      ARE.

23              YEAH, GO AHEAD.

24              MR. PETERS:   IF YOU HAVE SOME QUESTIONS, YOU CAN GO  
25      AHEAD AND GO FIRST, BECAUSE I HAVE A COUPLE.

1 MR. FOSTER: WELL I THINK FIRST, YOUR HONOR, I DO  
2 WANT TO MAKE CLEAR THAT WE HAVE ENGAGED AND ARE HAPPY TO ENGAGE  
3 WITH THE DEFENSE IN GOOD FAITH.

4 THE COURT: GOOD. I APPRECIATE THAT.

5 MR. FOSTER: THEY PROVIDED US SOME THOUGHTS AND WE  
6 INDICATED OUR VIEW THAT WE, AT THIS POINT, DID NOT THINK THE  
7 DEFENDANT WAS BONDABLE BUT WE PROVIDED GUIDANCE ABOUT MANY OF  
8 THE CONDITIONS, BOTH BECAUSE WE FEEL IF THERE WAS A SPECIFIC  
9 PROPOSAL, WE COULD RUN THAT UP OUR CHAIN; AND SECOND, AS WE  
10 SAID IN AN E-MAIL TO DEFENSE COUNSEL, IT COULD NARROW THE  
11 ISSUES TO BE PRESENTED BEFORE THE COURT. SO WE HAVE PROVIDED  
12 SOME THOUGHTS ON THESE.

13 I JUST WANTED TO MAKE THREE QUICK POINTS AND PERHAPS FOR A  
14 LATER DATE, BUT TO GENTLY EXPLORE THE SIMILARITIES OR  
15 DIFFERENCES WITH MR. LYNCH. ONE, THIS IS A PRESUMPTION CASE  
16 AND I THINK THAT GREATLY DIFFERENTIATES IT FROM DR. LYNCH.

17 SECOND, THIS DEFENDANT UTILIZED --

18 THE COURT: ACTUALLY I GOT TO TELL YOU, I MEAN YEAH,  
19 I UNDERSTAND IT'S A PRESUMPTION CASE, IT'S A DIFFERENT KIND OF  
20 PRESUMPTION CASE. I MEAN, IT IS CONTROLLED SUBSTANCES, BUT  
21 THERE ARE CONTROLLED SUBSTANCES AND THERE ARE CONTROLLED  
22 SUBSTANCES, AND I KNOW THE PRESUMPTION IS RIGHT ACROSS THE  
23 BOARD FOR ALL CONTROLLED SUBSTANCES, BUT IT IS IN A -- IN THE  
24 CONTEXT OF WHAT HAPPENED HERE, IT IS SLIGHTLY DIFFERENT.

25 NOW AS TO -- WELL, I THINK I -- YOU KNOW, I DON'T KNOW

1        THAT I CAN OR WOULD OR HAVE TO SAY ANYTHING MORE ABOUT HOW  
2        DR. LYNCH'S SITUATION WAS DIFFERENT, I MEAN, I WAS CONCERNED  
3        ABOUT FLIGHT, I'M STILL CONCERNED ABOUT FLIGHT. THE ONE THING  
4        I WASN'T CONCERNED ABOUT DR. LYNCH BECAUSE THERE IS NO WAY I  
5        COULD HAVE DONE ANYTHING AT ALL -- OH, I WILL TELL YOU WHAT,  
6        WAS THAT THERE WAS -- IS THAT HE HAD VAST FINANCIAL RESOURCES,  
7        I MEAN, TRULY VAST, AT HIS FINGERTIPS.

8            AND ALSO, IN TERMS OF PRESUMPTION, WHILE DR. LYNCH ENJOYED  
9        A PRESUMPTION OF INNOCENCE, HIS CO-DEFENDANT HAD BEEN  
10       CONVICTED.

11           MR. PETERS: POORLY REPRESENTED, HOWEVER.

12           THE COURT: PARDON?

13           MR. PETERS: POORLY REPRESENTED, HOWEVER.

14           THE COURT: OH, HE HAD GREAT REPRESENTATION. HE HAD  
15        GREAT REPRESENTATION, IT'S NOT --

16           MR. PETERS: I WAS MAKING A JOKE, YOUR HONOR, I WAS  
17        NOT TRYING TO PUT THOSE WORDS IN THE COURT'S MOUTH.

18           THE COURT: I KNOW, BUT I DIDN'T WANT TO APPEAR ON  
19        THE RECORD THAT I AGREED WITH THAT, BECAUSE I THOUGHT --

20           MR. FOSTER: NOTED, YOUR HONOR, AND I THINK THIS IS  
21        FOR -- I THINK THIS IS FOR A LATER DATE, BUT I UNDERSTAND YOUR  
22        RELUCTANCE TO WADE INTO SOME OF THE COMPANY'S ISSUES, BUT I  
23        MENTION THE PRESUMPTION IS TOO TO DANGEROUSNESS BECAUSE I THINK  
24        IF EVIDENCE EMERGES THAT THESE INDIVIDUALS AREN'T INDEPENDENT,  
25        THAT SHOULD BE A SIGNIFICANT CONCERN.

1 THE COURT: WELL, IT WOULD BE. AND I THINK WHAT I  
2 HAVE TO DO, AND ONE OF THE THINGS FOR YOU TO TALK ABOUT WHEN WE  
3 TALK ABOUT WHAT FORMS OF COMMUNICATION THE DEFENDANT SHOULD BE  
4 PERMITTED, IS WHETHER TO RESTRICT HER ACCESS TO TALKING TO  
5 ANYBODY ABOUT THE COMPANY, RESTRICT HER ACCESS TO ANY COMPANY  
6 OPERATIONS, RESTRICT HER ACCESS TO ANY EFFORTS TO INVOLVE  
7 HERSELF IN ANY OF THE RECORDKEEPING AND SO FORTH WITH RESPECT  
8 TO IT. IF SHE NEEDS, IN HER DEFENSE, TO HAVE INFORMATION FROM  
9 THE COMPANY, IT SHOULD ALL BE DONE THROUGH THE LAWYERS, WHO I  
10 TRUST ONE THOUSAND PERCENT. SO IT SHOULD ALL BE DONE THAT WAY.

11 NOW, YOU KNOW, NORMALLY, I MEAN AGAIN, I COME BACK TO THE  
12 FACT THAT SHE SHOULD NOT -- YOU KNOW, OBVIOUSLY IF SHE IS IN A  
13 SITUATION WHERE SHE'S UNDER HOUSE ARREST, PEOPLE CAN COME AND  
14 SEE HER, BUT I THINK THAT THERE HAS TO BE SOME IMPOSITION BY  
15 THE COURT TO RESTRICT HER FROM DISCUSSING ANY OF THESE ISSUES  
16 OUTSIDE THE PRESENCE OF THE LAWYER.

17 THE LAWYER HAS TO BE THERE, YOU KNOW, AND THESE LAWYERS  
18 ARE VERY SOPHISTICATED PRACTITIONERS. AND -- YOU KNOW, AND  
19 THEY WOULD NEVER EVER DO ANYTHING THAT EVEN REMOTELY SUGGESTED  
20 TAMPERING.

21 SO I FEEL THAT'S A WAY SHE CAN PREPARE HER DEFENSE WHILE  
22 AT THE SAME TIME NOT IMPACTING THE AVAILABILITY OF EVIDENCE  
23 THAT THE GOVERNMENT MAY BE SEEKING.

24 SO IT'S A LITTLE COMPLICATED, BUT THERE ARE AREAS THAT YOU  
25 CAN WORK OUT THROUGH CONVERSATIONS I THINK ON BOTH SIDES IN AN

1       ATTEMPT TO DEAL WITH THAT.

2               MR. FOSTER:   OKAY, YOUR HONOR.

3               I THINK THE OTHER QUESTION I HAVE IS THAT THE DEFENSE  
4       LIKES TO SAY HER OWN ASSETS.   IN THE GOVERNMENT'S VIEW, THE  
5       COMPANY ASSETS --

6               THE COURT:   THAT'S WHY I ACTUALLY DON'T WANT TO GET  
7       INVOLVED.   IF SOMEBODY OWNS A COMPANY, YOU KNOW, OR OWNS A  
8       MAJORITY INTEREST OF THE COMPANY, YOU KNOW, COMPANIES ARE  
9       CREATIONS OF LAW, CREATURES OF LAW.   ASSETS ARE NOT GENERALLY  
10      CREATIONS OF LAW, THEY ARE CREATIONS OF FACT.

11              AND SO YOU HAVE \$9 MILLION IN A BANK ACCOUNT, THAT'S A  
12      FACT.   HOW YOU HAVE ACCESS TO IT OR WHO CONTROLS IT AND SO  
13      FORTH, THAT'S SOMETIMES A MATTER OF LAW.   AND I'M CHOOSING TO  
14      BACK OFF ON THAT, TO THE EXTENT I CAN OR SHOULD, BECAUSE I  
15      DON'T THINK I CAN REALLY EFFECTIVELY IMPOSE A SET OF CONDITIONS  
16      THAT WILL BE TRULY A MEANINGFUL SET OF CONDITIONS WITHOUT  
17      BASICALLY PUTTING HER IN JAIL.

18              AND BY THE WAY, PUTTING HER IN JAIL MAY NOT ELIMINATE THAT  
19      PROBLEM, YOU KNOW.   SO IT MAY SOUND OH, GREAT, THAT JUDGE IS  
20      TOUGH, PUT HER IN JAIL, AND THEN TO WHAT END?   TO WHAT END?

21              MR. PETERS:   I HAVE A -- I REALLY APPRECIATE THE  
22      COURT'S OBSERVATIONS AND I'M NOT INTENDING TO ARGUE ABOUT  
23      ANYTHING I JUST HAVE A COUPLE OF QUESTIONS SO THAT WE CAN TRY  
24      AND PUT TOGETHER THIS PACKAGE.

25              I'M MORE THAN HAPPY TO TRY AND WORK SOMETHING OUT WITH THE

1 GOVERNMENT, BUT IT'S BEEN MY VIEW AND EXPERIENCE IN THIS CASE  
2 THAT THEY DON'T WANT TO DO ANYTHING WHICH WILL CAUSE HER TO --

3 THE COURT: EVERYBODY TAKE A DIFFERENT VIEW. DEEP  
4 BREATH. WE ARE ALL HERE NOW.

5 MR. PETERS: YOU WON'T BE HERE SOON WHEN WE ARE  
6 TALKING.

7 THE COURT: NOT IN SOME OTHER BUILDING OR SOME OTHER  
8 COURT AND SO FORTH, SO --

9 MR. PETERS: OKAY. IN TERMS OF THE AMOUNT OF CASH  
10 PUT UP, THE NUMBER ON THE BOND IS ONE THING YOU WANT, BASICALLY  
11 ALL OF HER CASH AND THE POSTING OF HER PROPERTY IN GEORGIA? I  
12 MEAN, SHE NEEDS A LITTLE BIT TO --

13 THE COURT: NO, NO, NO, I DON'T WANT ALL OF HER CASH,  
14 THAT'S NOT --

15 MR. PETERS: I'M JUST TRYING TO FIGURE OUT A  
16 PROPOSAL.

17 THE COURT: I DON'T KNOW. I THINK WHY DON'T YOU SIT  
18 DOWN AND TALK BETWEEN THE TWO OF YOU.

19 MR. PETERS: OKAY.

20 YOUR HONOR MENTIONED THE WIRE TRANSFER, I THINK, OR A  
21 TRANSFER OF MR. LYNCH'S STOCK TO THE CLERK OF THE COURT. AND  
22 WE PROPOSED KIND OF PUTTING HER STOCK IN TRUST BUT THAT WAS  
23 MORE OF A MECHANISM OF REMOVING HER CONTROL OF THE COMPANY.

24 I'M NOT SURE -- I MEAN, TRANSFER, I DON'T EVEN KNOW IF  
25 THERE ARE PHYSICAL SHARES OF STOCK IN THIS COMPANY, I BET THERE

1 AREN'T, SO I'M NOT SURE HOW WE WOULD ADDRESS THAT CONDITION BUT  
2 WE ARE HAPPY TO DO IT.

3 THE COURT: I DO KNOW, INDEMNIFICATION IS A CREATURE  
4 OF DELAWARE LAW, IT'S AN OBLIGATION THAT THE COMPANY HAS TO  
5 PROVIDE A DEFENSE TO INDEMNIFY AN OFFICER/DIRECTOR, AS A  
6 GENERAL RULE, FOR LEGAL EXPENSES, IRRESPECTIVE OF THEIR GUILT  
7 OR INNOCENCE. I THINK IT'S DONE -- IT'S OBVIOUSLY DONE IN A  
8 PROSPECTIVE WAY BEFORE AN ADJUDICATION.

9 SO IT'S NOT MY INTENTION, AND AGAIN I SAY IT, IT'S NOT MY  
10 INTENTION TO FORECLOSE THE ABILITY OF THE DEFENDANT TO PAY FOR  
11 A SATISFACTORY GUARD SERVICE. AND THESE COUNSEL, YOU KNOW, I  
12 DON'T KNOW, THEY ARE PROBABLY A VERY MODEST FEES THAT THEY  
13 CHARGE, AT LEAST EXPENSIVE, I THINK IT'S JUST CJA RATES, CLOSE  
14 TO IT -- CLOSE TO IT, SO CERTAINLY -- CLOSE TO IT.

15 LET THE RECORD SHOW THAT WAS GREETED WITH SOME LAUGHTER.

16 WHATEVER THEIR RATES, THEIR RATES ARE, THEY PROVIDE A  
17 LEGAL DEFENSE, IT'S ON THE MARKET, AND IF THE DEFENDANT AGREES  
18 TO IT, I'M SATISFIED THAT IT'S APPROPRIATE.

19 NOW I'M NOT INTO DELAWARE LAW, YOU DON'T HAVE TO DEAL WITH  
20 THAT.

21 MR. PETERS: GOT IT. THAT'S OUR PROBLEM AND WE WILL  
22 WORK THAT OUT WITH THE COMPANY.

23 IF YOU WANT -- WE DID SPEAK -- WE GOT THIS COMPANY -- I  
24 WOULD TELL COUNSEL THIS, AND I WILL TELL THE COURT THIS, WE GOT  
25 THE NAME OF THIS COMPANY FROM THE COMPANY THAT MR. LYNCH USED



1 BECAUSE THEY ARE EXTREMELY EXPENSIVE FOR THIS SERVICE, AND  
2 THAT'S WHERE SOME LIMITS ON RESOURCES MAKE THE DIFFERENCE, BUT  
3 IF YOUR HONOR WANTS TWO GUARDS RATHER THAN ONE, WE ARE GOING TO  
4 PROVIDE TWO GUARDS RATHER THAN ONE.

5 THE COURT: RIGHT. I DO.

6 MR. PETERS: I HEARD YOU SAY THAT. I'M NOT HERE TO  
7 ARGUE ABOUT IT.

8 TRAVEL DOCUMENTS, THAT'S EASY.

9 THE ACCESS TO A COMPUTER, JUST SO I UNDERSTAND WHAT THAT  
10 MEANS, IS SO THAT SHE DOESN'T HAVE THE ABILITY TO ATTEMPT TO  
11 INFLUENCE WITNESSES. I MEAN, IN TERMS OF DOCUMENTS, THEY HAVE  
12 GATHERED THE EVIDENCE THEY HAVE, THEY ARE NOT PERMITTED TO USE  
13 THE GRAND JURY ANYMORE TO PREPARE THIS CASE, SO I THINK THE  
14 EVIDENCE THAT THEY HAVE IS THE EVIDENCE THEY HAVE. THEY HAVE  
15 BEEN DOING THIS INVESTIGATION FOR YEARS. I DON'T THINK THERE  
16 IS A RISK THAT SHE COULD OR WOULD, BUT I GUESS IT'S "COULD"  
17 THAT WE ARE REALLY TALKING ABOUT, INTERFERE WITH DOCUMENTS, BUT  
18 I JUST WANT TO ADDRESS YOUR CONCERNS. YOU KNOW --

19 THE COURT: WELL, I DON'T KNOW. THE FACT IS SHE'S --  
20 THE FACT IS IT'S NOT JUST COMMUNICATION WITH RESPECT TO THE  
21 OBSTRUCTION, IT'S ALSO COMMUNICATION WITH RESPECT TO FLIGHT,  
22 AND IT'S ALSO IN COMMUNICATION WITH RESPECT TO TRANSFER ASSETS.

23 SO I'M NOT QUITE SURE HOW TO WRITE IT UP.

24 MR. PETERS: OKAY.

25 THE COURT: -- BUT I SORT OF -- I GO BACK TO, WHAT IS

1 IT LIKE IN JAIL? WELL IT'S HIGHLY, HIGHLY RESTRICTIVE. THERE  
2 IS NO INTERNET, THERE IS THE USE OF A COMPUTER TO REVIEW, AN  
3 IPAD, SO I WANT TO GIVE HER SOME VARIANT OF THAT, BUT I THINK  
4 YOU HAVE TO --

5 MR. PETERS: AND I WOULD LIKE TO BE ABLE TO  
6 COMMUNICATE WITH HER TOO, EITHER BY SENDING HER A TEXT OR  
7 SAYING CALL ME OR WHATEVER.

8 SO I ALSO THINK WE MIGHT WANT TO CONSULT WITH PRETRIAL  
9 ABOUT THAT BECAUSE THEY DEAL WITH THIS IN OTHER CONTEXT --

10 THE COURT: I THINK THAT WOULD BE VERY USEFUL.

11 MR. PETERS: -- AND THEY HAVE EXPERTISE.

12 THE COURT: AND ULTIMATELY I WILL LISTEN TO PRETRIAL  
13 AS TO WHAT CONDITIONS THEY THINK ARE APPROPRIATE AND WHETHER  
14 THEY FEEL COMFORTABLE.

15 I ALWAYS ASK THEM, DO YOU FEEL COMFORTABLE WITH THIS  
16 ARRANGEMENT? IS THIS SOMETHING THAT YOU ASK? AND SO I WOULD  
17 VERY MUCH -- YOU CAN HAVE YOUR CONVERSATIONS, BUT I WOULD  
18 CERTAINLY ENCOURAGE BOTH SIDES TO TALK TO PRETRIAL.

19 MR. FOSTER: YES, YOUR HONOR. AND THERE HAVE BEEN  
20 SIMILAR CONDITIONS IMPOSED IN OTHER CASES.

21 MR. PETERS: YEAH. WE WILL WORK WITH PRETRIAL ON  
22 THAT.

23 THE COURT: JUST LET ME KNOW WHEN YOU ARE READY TO  
24 COME BACK.

25 MR. PETERS: WE ARE GOING TO TRY AND DO IT AS QUICKLY

1 AS WE CAN.

2 THE COURT: OBVIOUSLY YOU WILL, BUT I DON'T SEE ANY  
3 PURPOSES IN SETTING TUESDAY OR WEDNESDAY. I WILL BE HERE, I'M  
4 NOT GOING ANYWHERE, AND I WILL HEAR YOU AT BASICALLY YOUR  
5 CONVENIENCE, IF I'M AVAILABLE.

6 MR. PETERS: I'M GOING TO TRY AND DO IT NEXT WEEK  
7 BECAUSE I'M OUT THE FOLLOWING WEEK. I KNOW THAT MR. FOSTER HAS  
8 THE BURDEN OF TRAVELING FROM D.C.

9 THE COURT: WELL I KNOW THERE ARE OTHER PEOPLE, IF  
10 YOU TURN AROUND, THERE ARE OTHER PEOPLE WHO HAVE ACTUALLY BEEN  
11 IN COURT WHO ACTUALLY --

12 MR. FOSTER: YOUR HONOR, WE WOULD JUST ASK TO THE  
13 EXTENT THAT THERE IS ANOTHER HEARING SET THAT THERE BE  
14 PROVISION FOR NOTICE AND RESPONSE SO THAT WE CAN RESPOND.

15 THE COURT: OH, OF COURSE. OF COURSE. YEAH.  
16 ABSOLUTELY. I DON'T WANT TO CUT ANYBODY OFF. OKAY.

17 MR. PETERS: THANK YOU, YOUR HONOR.

18 THE COURT: THANK YOU.

19 MR. PETERS: IT'S APPRECIATED.

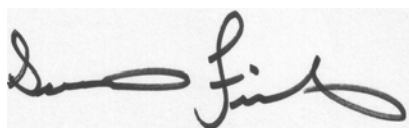
20 THE COURT: OKAY. THANK YOU VERY MUCH.

21 (WHEREUPON THE PROCEEDINGS IN THIS MATTER WERE CONCLUDED.)  
22  
23  
24  
25

**CERTIFICATE OF REPORTER**

I, THE UNDERSIGNED OFFICIAL COURT  
REPORTER OF THE UNITED STATES DISTRICT COURT FOR  
THE NORTHERN DISTRICT OF CALIFORNIA, 280 SOUTH  
FIRST STREET, SAN JOSE, CALIFORNIA, DO HEREBY  
CERTIFY:

THAT THE FOREGOING TRANSCRIPT,  
CERTIFICATE INCLUSIVE, IS A CORRECT TRANSCRIPT FROM  
THE RECORD OF PROCEEDINGS IN THE ABOVE-ENTITLED  
MATTER.

A handwritten signature in black ink, appearing to read "Summer A. Fisher", is written over a light gray rectangular background.

SUMMER A. FISHER, CSR, CRR  
CERTIFICATE NUMBER 13185

DATED: 8/29/24

# Exhibit 40

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

UNITED STATES OF AMERICA, ) CR-24-00329 CRB  
)  
PLAINTIFF, ) SAN FRANCISCO, CALIFORNIA  
)  
VS. ) AUGUST 23, 2024  
)  
RUTHIA HE, A/K/A RUJIA HE, ) PAGES 1-43  
)  
DEFENDANT. )  
\_\_\_\_\_ )

TRANSCRIPT OF PROCEEDINGS  
BEFORE THE HONORABLE CHARLES R. BREYER  
UNITED STATES DISTRICT JUDGE

A P P E A R A N C E S:

FOR THE PLAINTIFF: UNITED STATES ATTORNEY'S OFFICE  
BY: JACOB FOSTER  
950 CONSTITUTION AVENUE, NW  
WASHINGTON, D.C. 20530  
  
BY: KATHERINE M. LLOYD-LOVETT  
450 GOLDEN GATE AVENUE, BOX 36055  
SAN FRANCISCO, CALIFORNIA 94102

FOR THE DEFENDANT: KEKER, VAN NEST & PETERS  
BY: ELLIOT R. PETERS  
NICHOLAS D. MARAIS  
CODY GRAY  
633 BATTERY STREET  
SAN FRANCISCO, CALIFORNIA 94111

PRETRIAL OFFICER: VANESSA VARGAS

REMOTE REPORTED BY: LEE-ANNE SHORTRIDGE, CSR, CRR  
CERTIFICATE NUMBER 9595

PROCEEDINGS RECORDED BY MECHANICAL STENOGRAPHY  
TRANSCRIPT PRODUCED WITH COMPUTER

1 SAN FRANCISCO, CALIFORNIA

AUGUST 23, 2024

2 P R O C E E D I N G S

3 (COURT CONVENED AT 11:03 P.M.)

4 THE CLERK: CALLING CRIMINAL ACTION CR-24-0329,  
5 U.S.A. VERSUS RUTHIA HE.

6 COUNSEL, PLEASE STEP FORWARD AND STATE YOUR APPEARANCES  
7 FOR THE RECORD.

8 MR. FOSTER: GOOD MORNING, YOUR HONOR.

9 JACOB FOSTER AND KATIE LLOYD-LOVETT ON BEHALF OF THE  
10 UNITED STATES.

11 THE COURT: GOOD MORNING.

12 MR. PETERS: GOOD MORNING, YOUR HONOR.

13 ELLIOT PETERS APPEARING WITH MY PARTNERS, NICK MARAIS AND  
14 CODY GRAY, ON BEHALF OF RUTHIA HE, WHO IS PRESENT IN COURT.  
15 SHE IS IN CUSTODY, BUT SHE'S PRESENT.

16 THE COURT: GOOD MORNING.

17 PRETRIAL OFFICER: GOOD MORNING, YOUR HONOR.

18 VANESSA VARGAS WITH U.S. PRETRIAL SERVICES.

19 THE COURT: GOOD MORNING.

20 SO SINCE OUR LAST APPEARANCE TWO DAYS AGO, I'VE RECEIVED A  
21 SUBMISSION BY THE GOVERNMENT, WHICH I REVIEWED THIS MORNING.

22 I'VE ALSO JUST RECEIVED A SUBMISSION FROM THE DEFENSE, A  
23 PROFFER OF EVIDENCE IN RESPONSE TO THE COURT'S QUESTIONS.

24 ALSO SINCE THAT TIME, I HAVE READ THROUGH THE EXHIBITS  
25 WHICH WERE ATTACHED TO THE GOVERNMENT'S MOTION. THERE ARE --

1 IS IT 38? I DON'T QUITE KNOW WHAT THE NUMBER IS. IT'S FAIRLY  
2 VOLUMINOUS.

3 MR. FOSTER: IT WAS 31 IN THE INITIAL MOTION, YOUR  
4 HONOR, AND THEN WE ATTACHED A COUPLE MORE EXHIBITS TO THE BRIEF  
5 FILED LAST NIGHT.

6 THE COURT: SO I THINK THE TOTAL IS SOMEWHERE IN THE  
7 NEIGHBORHOOD OF 38.

8 MR. FOSTER: I BELIEVE YOU'RE RIGHT, YOUR HONOR.

9 MR. PETERS: INCLUDING WHAT THEY FILED LAST NIGHT, I  
10 THINK IT'S 38.

11 THE COURT: THIRTY-EIGHT.

12 SO THIS IS, OF COURSE, A DE NOVO HEARING ON AN APPEAL OF A  
13 DECISION, I GUESS IT'S ONLY JUDGE HIXSON'S DECISION, THOUGH  
14 THERE WAS A PREVIOUS MAGISTRATE JUDGE, A DIFFERENT MAGISTRATE  
15 JUDGE'S DETERMINATION IN LOS ANGELES, BUT THAT'S NOT BEING  
16 APPEALED. THAT'S -- I GUESS IT'S SUPERSEDED, ESSENTIALLY, BY  
17 JUDGE HIXSON'S REVIEW, DETERMINATION.

18 THE COURT HAS ALSO, SO YOU'RE AWARE OF IT, REVIEWED THE  
19 PLEA AGREEMENTS OF THE ALLEGED CO-CONSPIRATORS THAT WAS FILED  
20 IN THIS CASE. ARE YOU AWARE OF THAT? I DON'T KNOW WHETHER  
21 YOU'VE SEEN THOSE. ARE THEY UNDER SEAL?

22 MR. FOSTER: THEY'VE BEEN UNSEALED, YOUR HONOR,  
23 AROUND THE TIME OF DEFENDANT'S ARREST, AND WE DID CITE TO ONE  
24 SPECIFICALLY BY DOCKET NUMBER IN OUR BRIEF.

25 THE COURT: SO HAVE YOU REVIEWED THEM?



1 MR. PETERS: NO.

2 THE COURT: HAVE YOU SEEN THEM?

3 MR. PETERS: NO.

4 THE COURT: OKAY, WELL, ARE THEY A MATTER -- I MEAN,  
5 I CAN GIVE YOU MY COPIES. I DON'T KNOW THAT I'LL -- YOU MAY OR  
6 MAY NOT WANT TO REFER TO THEM IN THE COURSE OF -- I DON'T WANT  
7 YOU TO HAVE NOT SEEN SOMETHING THAT I HAVE SEEN.

8 MR. PETERS: OKAY.

9 THE COURT: SO HERE, WOULD YOU HAND THESE TO  
10 MR. PETERS (HANDING).

11 OH, THEY'RE FILED IN A DIFFERENT CASE.

12 MR. FOSTER: EACH OF THEM ARE SEPARATE CASES, YOUR  
13 HONOR. THEY WERE FILED BY INFORMATION.

14 THE COURT: OKAY. BUT THEY ALL RELATE TO THIS CASE?

15 MR. FOSTER: THEY'VE ALL BEEN RELATED TO THIS CASE,  
16 YES, YOUR HONOR.

17 THE COURT: OKAY. SO YOU HAVE THOSE SUBMISSIONS AS  
18 WELL. AND IF YOU NEED SOME TIME TO TAKE A LOOK AT THEM, OF  
19 COURSE I'LL GIVE YOU THAT.

20 MR. PETERS: I'M NOT SURE WHAT THE COURT THINKS IS  
21 PARTICULARLY RELEVANT TO THESE PROCEEDINGS ABOUT THEM, SO  
22 OBVIOUSLY IF YOU DO, I WANT TO REVIEW THEM. I DON'T WANT TO  
23 WASTE THE COURT'S TIME.

24 THE COURT: YEAH.

25 MR. PETERS: I HAVEN'T REVIEWED THESE BEFORE, AND WE

1 HAVEN'T REALLY REVIEWED THE DISCOVERY. WE'VE JUST BEEN  
2 FOCUSSED ON BAIL. I MEAN, THERE'S --

3 THE COURT: WELL, THERE ARE REFERENCES -- WHEN YOU  
4 SAY YOU'RE FOCUSSED ON BAIL, YOU HAVE BEEN FOCUSSED ON THE  
5 EXHIBITS --

6 MR. PETERS: YES.

7 THE COURT: -- SENT -- SUBMITTED TO THE COURT IN  
8 CONNECTION WITH BAIL? I MEAN, I HAVEN'T SEEN ANYTHING -- I  
9 HAVE NOT SEEN ANYTHING OTHER THAN THE EXHIBITS THAT WERE  
10 SUBMITTED BY THE GOVERNMENT, AND THESE PLEA AGREEMENTS. THAT'S  
11 WHAT I HAVE SEEN.

12 MR. PETERS: THANK YOU.

13 THE COURT: AND WHAT YOU HAVE SUBMITTED.  
14 BUT NOTHING ELSE.

15 THE FIRST THING IS IN TERMS OF WHAT IS IN THE RECORD,  
16 WHICH I THINK I'VE JUST STATED, BUT WHAT IS IN THE RECORD ARE  
17 THE, ARE THE EXHIBITS ATTACHED TO THE ARGUMENT, AND SO THE  
18 COURT HAS THAT IN THE RECORD AND THAT FORMS A BASIS, A PART OF  
19 THE BASIS FOR THE COURT'S FINDINGS, WHATEVER THEY MAY BE.

20 TWO, I THINK IT'S AGREED UPON THAT THERE IS A PRESUMPTION  
21 OF DETENTION BY VIRTUE OF THE OPERATION OF THE LAW, THAT IS,  
22 SINCE IT'S A CONTROLLED SUBSTANCE ALLEGATION, THE CRIMINAL  
23 CHARGE, THERE IS ATTACHED TO IT BY STATUTE A PRESUMPTION --  
24 WHICH, OF COURSE, IS A REBUTTABLE PRESUMPTION -- OF DETENTION.

25 THIRD, WITH RESPECT TO THE STANDARD OF PROOF, I THINK AS

1 TO THE QUESTION OF FLIGHT, THAT IS A STANDARD THAT WOULD BE A  
2 PREPONDERANCE OF THE EVIDENCE AS DISTINCT FROM A CLEAR AND  
3 CONVINCING EVIDENCE STANDARD.

4 AND WHAT IS OF CONCERN TO THE COURT, AND I THINK I  
5 IDENTIFIED IT IN THE LAST HEARING, WAS, FIRST AND FOREMOST, THE  
6 QUESTION OF FLIGHT; AND, SECONDARILY, THE QUESTION OF  
7 DANGEROUSNESS.

8 THE ARGUMENT AS TO THE DANGEROUSNESS I THINK REVOLVES  
9 AROUND TWO ALLEGATIONS. ONE IS THAT THERE IS A -- THERE IS  
10 EVIDENCE THAT DOCUMENTS HAVE BEEN DESTROYED OR DELETED OR  
11 BECOME UNAVAILABLE THROUGH THE NORMAL CHANNELS OF SUBPOENA AND  
12 PRODUCTION OF THESE DOCUMENTS.

13 THE SECOND ASPECT OF DANGEROUSNESS IS AN ALLEGATION THAT  
14 THE BUSINESS CONTINUES, THE ENTERPRISE, WHATEVER IT IS,  
15 CONTINUES TO PERMIT DRUGS TO BE DISPENSED TO INDIVIDUALS WHO  
16 MAY NOT HAVE BEEN SATISFACTORILY EXAMINED AS TO THEIR NEED AND,  
17 THEREFORE, THAT CREATES A SENSE OF DANGEROUSNESS.

18 I HAVE NO IDEA WHETHER THIS BUSINESS IS NOW OPERATING IN  
19 SOME REAL WAY OR NOT, SO I WOULD LIKE THAT DISCUSSED THIS  
20 MORNING.

21 I ALSO AM CONCERNED ABOUT A NUMBER OF THINGS, ONE OF  
22 WHICH -- OR MAYBE I SHOULD SAY WHAT I'M NOT CONCERNED ABOUT.

23 I'M NOT CONCERNED ABOUT THE PASSPORT ISSUE, THAT IS TO  
24 SAY, DID THE DEFENDANT TRAVEL ON A PASSPORT THAT SHE HAD  
25 REPORTED WAS STOLEN? I THINK THE EXPLANATION THAT THE DEFENSE

1 OFFERED IN THAT REGARD MAKES SENSE AND I DON'T CONSIDER THAT TO  
2 BE AN ISSUE.

3 AS A MATTER OF FACT, THE OPPOSITE WOULDN'T MAKE SENSE. IT  
4 WOULDN'T MAKE SENSE FOR HER TO LEAVE THE COUNTRY WITH ONE  
5 PASSPORT AND THEN RETURN TO THE COUNTRY USING A PURPORTEDLY  
6 STOLEN PASSPORT. THAT JUST MAKES NO SENSE AT ALL.

7 NOW, A LOT OF THINGS HAPPEN IN ANY CASE, SOME OF WHICH  
8 MAKE SENSE AND SOME OF WHICH DON'T. BUT I DON'T THINK THAT  
9 THAT'S -- NUMBER ONE, IT DOESN'T MAKE SENSE; AND, NUMBER TWO,  
10 THE DEFENSE HAS OFFERED AN ENTIRELY PLAUSIBLE EXPLANATION. SO  
11 I DON'T THINK THAT'S AN ISSUE FOR THE COURT TO CONSIDER.

12 THERE IS AN ISSUE AS TO ACCESS TO FUNDS AND WHAT IS  
13 HAPPENING WITH THE FUNDS. AND I HAVE -- MAYBE I'M SORT OF  
14 STARTING WITH WHAT THE DEFENSE HAS OFFERED THIS MORNING, WHICH  
15 IS THAT THE -- IN THEIR MEMORANDUM, IN POINT A, THEY DESCRIBE  
16 THAT THE DEFENDANT'S FINANCIAL RESOURCES ARE \$616,000, AND THAT  
17 THEY ARE IN ACCOUNTS IN THE UNITED STATES.

18 THEN A NON-LIQUID RESOURCE WOULD BE HER INTEREST IN SOME  
19 REAL PROPERTY IN GEORGIA, WHICH WOULD BE 241,000, I GUESS  
20 RECENTLY PURCHASED.

21 NOW, THAT IS SHARPLY AT ODDS WITH THE GOVERNMENT'S  
22 REPRESENTATION THAT THE COMPANY OF WHICH THE DEFENDANT IS A  
23 PRINCIPAL SHAREHOLDER HAS ASSETS OF APPROXIMATELY \$10 MILLION  
24 IN ACCOUNTS, AND I DON'T KNOW THAT I AM -- I DON'T KNOW THAT  
25 THESE ARE NECESSARILY IN CONFLICT. I DON'T KNOW THAT YOU

1 DISAGREE WITH THAT, DEFENSE, OR YOU'RE SIMPLY SAYING SHE  
2 DOESN'T HAVE ACCESS TO THAT MONEY, I DON'T KNOW WHICH, OR THAT  
3 THE MONEY ISN'T THERE. I DON'T KNOW.

4 I MEAN, I DON'T -- YOU HAVEN'T PROVIDED ANY EXPLANATION OF  
5 THAT, SO I'M NOT QUITE SURE WHAT THE ISSUE IS WHERE YOU DON'T  
6 AGREE.

7 MR. PETERS: OKAY.

8 THE COURT: MR. PETERS.

9 MR. PETERS: SO ON EXHIBIT A IN TERMS OF HER LIQUID  
10 RESOURCES, JUST TO POINT OUT THAT THE HSBC ACCOUNT ALSO  
11 INCLUDES A CD WHICH IS RESTRICTED.

12 SO SHE'S NOT VERY LIQUID PERSONALLY, AND SHE DOESN'T HAVE  
13 A HUGE AMOUNT OF ASSETS PERSONALLY.

14 AS TO THE COMPANY'S MONEY, SHE'S NOT -- AND I THINK THIS  
15 IS PART OF OUR PROFFER, OUR FACTUAL PROFFER REGARDING WHAT THE  
16 COMPANY'S LAWYER, MR. STESKAL, TOLD US -- THAT SHE IS NOT  
17 PRESENTLY A SIGNATORY ON ANY OF THE COMPANY'S ACCOUNTS.

18 WE CAN GET INTO -- YOU KNOW, THE GOVERNMENT ALLEGED IN  
19 THEIR PAPER AND THEY TOLD YOUR HONOR THE OTHER DAY THAT THERE  
20 WAS \$13 MILLION OF OFFSHORE TRANSFERS, AND THEN THEY PRODUCED  
21 EVIDENCE OF \$1.4 MILLION, ALL OF WHICH CAN BE READILY EXPLAINED  
22 AND I'M HAPPY TO EXPLAIN IT.

23 BUT NOW WE'RE FOCUSSED ON THE BALANCE IN THE COMPANY'S  
24 BANK ACCOUNTS. SHE DOESN'T CONTROL IT. SHE DOESN'T HAVE  
25 ACCESS TO IT. IT'S -- THAT'S CONTROLLED BY THE COMPANY, AND

1 THERE'S FIVE PEOPLE RUNNING THE COMPANY AT THIS POINT, AND  
2 SHE'S NOT ACTIVELY INVOLVED IN THAT.

3 AND SO THAT -- YES, THE COMPANY HAS THOSE ASSETS. WE  
4 DON'T DISPUTE THAT.

5 BUT THEY'RE NOT AVAILABLE TO HER, AND WHAT'S AVAILABLE TO  
6 HER IS, IS WHAT'S ON OUR CHART A.

7 THE COURT: SO WHERE ARE THOSE ASSETS, THE  
8 \$10 MILLION?

9 MR. FOSTER: SO, YOUR HONOR, THEY'RE IN COMPANY BANK  
10 ACCOUNTS, AND WE WOULD RESPECTFULLY DISAGREE WITH THAT  
11 CHARACTERIZATION.

12 THE COURT: WHERE ARE THE COMPANY BANK ACCOUNTS  
13 LOCATED?

14 MR. FOSTER: THEY'RE LOCATED HERE, YOUR HONOR.

15 THE COURT: IN THE UNITED STATES?

16 MR. FOSTER: CORRECT.

17 THE COURT: OKAY.

18 MR. FOSTER: AN ACCOUNT CALLED MERCURY, WHICH IS AN  
19 ONLINE BANK ACCOUNT.

20 THEIR ACCOUNTS AT RAMP, ANOTHER ONLINE FINANCIAL  
21 INSTITUTION, WERE SHUT DOWN, AS WE NOTED, AND THEY WERE  
22 TRANSFERRED, TO THE BEST OF OUR KNOWLEDGE, TO MERCURY.

23 THE COURT: SO MERCURY PRESENTLY HOLDS \$10 MILLION IN  
24 CASH, ROUGHLY?

25 MR. FOSTER: ROUGHLY, MINUS THE DEFENDANT'S ASSETS.

1 THE 10 MILLION INCLUDED BOTH THE COMPANY ACCOUNTS AND I THINK  
2 THE 600,000 OR SO THAT DEFENSE REFERRED TO.

3 THE COURT: OKAY.

4 MR. PETERS: YES, IT'S A LITTLE LESS THAN 10.

5 THE COURT: SO BETWEEN 9 AND 10?

6 MR. FOSTER: YES, YOUR HONOR.

7 THE COURT: OKAY. AND NOW THE QUESTION IS, WELL, WHO  
8 HAS ACCESS TO THE -- THE QUESTION IS, SIMPLY, DOES THE  
9 DEFENDANT HAVE ACCESS OR POTENTIAL ACCESS TO THOSE FUNDS?

10 MR. FOSTER: YES, YOUR HONOR.

11 AND SO WHAT I CAN TELL YOU --

12 THE COURT: BECAUSE THERE'S NO QUESTION THAT SHE  
13 CONTROLS -- I DON'T THINK THEY'RE DISPUTING THAT SHE CONTROLS A  
14 MAJORITY SHAREHOLDER'S INTEREST IN THOSE -- IN THE COMPANY, AND  
15 OSTENSIBLY, IF YOU CONTROLLED 54, OR MORE THAN 50 PERCENT OF  
16 THE INTEREST OF THE COMPANY, YOU CONTROL THE COMPANY AND THE  
17 COMPANY HAS \$10 MILLION, \$9 MILLION IN ASSETS.

18 MR. FOSTER: YES, YOUR HONOR. AND I THINK THERE'S  
19 TWO ISSUES, ONE OF LEGAL AUTHORITY AND ONE OF ACTUAL AUTHORITY.

20 IN TERMS OF LEGAL AUTHORITY, WE SPOKE TO MR. STESKAL AND  
21 HE TOLD US THAT SHE REMAINS THE SHAREHOLDER OF NEARLY ALL THE  
22 SHARES AND SHE HAS ALL THE POWERS THAT THAT ENTAILS.

23 WE'VE ASKED FOR ANY SORT OF FORMAL, LEGAL AUTHORITY  
24 REFLECTING A TRANSFER TO OTHER INDIVIDUALS, AND IT HAS NOT BEEN  
25 PROVIDED TO US.

1 WE WERE TOLD THAT THERE WAS ONE ADDITIONAL BOARD MEMBER  
2 WHO CAME ON TO THE BOARD WITH THE DEFENDANT, THE ONLY OTHER  
3 BOARD MEMBER, IN 2023. WE SPOKE WITH HIS COUNSEL AND HE  
4 INFORMED US THAT THAT INDIVIDUAL HAD NO UNDERSTANDING OF WHAT  
5 WAS GOING ON WITH THE COMPANY OR NO ACTIVE INVOLVEMENT WITH THE  
6 COMPANY.

7 THE DEFENDANT IS THE CEO, AND THE CEO CANNOT JUST BE  
8 REMOVED WITHOUT SOME SORT OF PROCESS PURSUANT TO CONTRACTUAL  
9 LAW AND CORPORATE GOVERNANCE.

10 SECOND IS THE ACTUAL REALITY OF WHAT IS GOING ON HERE.  
11 THE GOVERNMENT SUBMITTED AN EXHIBIT SHOWING HER AS THE ADMIN  
12 USER ON THE MOST RECENT INFORMATION WE OBTAINED FOR THAT  
13 MERCURY BANK ACCOUNT, WHICH SHOWS THAT SHE CONTROLS THE FUNDS.

14 BUT MORE IMPORTANT THAN THAT, THESE OTHER INDIVIDUALS ARE  
15 ALL CLOSE ASSOCIATES OF THE DEFENDANT. AND AS WE SUBMITTED IN  
16 CONNECTION WITH THE REPORT OF INTERVIEW OF A DONE EMPLOYEE  
17 WHO'S ONE OF THE LONGEST RUNNING DONE EMPLOYEES AT THE COMPANY,  
18 THE DEFENDANT INTENTIONALLY TRANSFERRED, TO OBSTRUCT THE  
19 INVESTIGATION, THE OPERATIONAL FUNCTIONS OF THE COMPANY TO  
20 CHINA, OUTSIDE OF THE JURISDICTION, AND EXHIBIT 12 REFLECTS  
21 THAT THE PURPOSE OF DOING SO WAS BECAUSE THERE WAS AN  
22 INVESTIGATION.

23 AND WHAT THAT STATEMENT OF INTERVIEW REFLECTS, WHICH IS  
24 CORROBORATED BY A HOST OF EXHIBITS, AS WELL AS BY OTHER  
25 WITNESSES, IS THAT THE DEFENDANT SET UP AN INTENTIONAL PLAN TO



1 PUT THIS COMPANY'S OPERATIONAL FUNCTIONS OUTSIDE OF THE  
2 JURISDICTION OF THE UNITED STATES. SHE EXECUTED THAT PLAN,  
3 THERE'S BEEN HUGE AMOUNTS OF TRANSFERS OVERSEAS, AND SHE'S  
4 FULLY CAPABLE OF RUNNING THIS COMPANY, OR ANOTHER ONE, FROM  
5 CHINA WHERE SHE HAS BUSINESS CONTACTS, FAMILY, AND FRIENDS.

6 SO WE HAVEN'T SEEN ANY LEGAL AUTHORITY EITHER THAT THE  
7 DEFENDANT HAS RELINQUISHED HER CONTROL IN THE COMPANY.

8 AND TO THE CONTRARY, OUR UNDERSTANDING FROM COMPANY  
9 COUNSEL HAS BEEN THAT'S A PROCESS THAT THEY HAVE PUSHED THE  
10 DEFENDANT TO ENGAGE FOR A LONG TIME, EVEN PRECEDING HER ARREST,  
11 BUT SHE'S NOT BEEN WILLING TO DO SO.

12 AND EVEN BEYOND THE LEGAL AUTHORITY, THE GOVERNMENT, GIVEN  
13 THE EXHIBITS, HAS SERIOUS CONCERNS ABOUT THE PRACTICALITIES OF  
14 MONITORING THIS DEFENDANT AND HER COMMUNICATIONS WITH THIRD  
15 PARTIES LOCATED OUTSIDE THE COUNTRY WHO HAVE THE ABILITY TO  
16 ACCESS AND MOVE THESE FUNDS.

17 THE COURT: IT SEEMS -- IT JUST SEEMS TO ME THAT  
18 THERE IS A WAY TO DEMONSTRATE, ONE WAY OR THE OTHER, WHETHER  
19 THE DEFENDANT HAS ACCESS TO THESE FUNDS OR CAN ACHIEVE ACCESS  
20 TO THESE FUNDS.

21 MR. PETERS: YOUR HONOR --

22 THE COURT: I MEAN, IT'S ONE THING TO SAY, OKAY,  
23 SHE'S NOT A SIGNATORY ON THE ACCOUNT. HERE ARE -- I DON'T KNOW  
24 WHO ARE SIGNATORIES ON THE ACCOUNTS, BUT APPARENTLY SHE'S NOT.

25 MR. PETERS: SHE'S NOT.

1 THE COURT: OKAY. BUT SOMEBODY IS. SOMEBODY HAS THE  
2 AUTHORITY TO --

3 MR. PETERS: THE BUSINESS HAS --

4 THE COURT: SO WHY DON'T I HAVE THE PERSON WHO HAS  
5 THE AUTHORITY TO COME IN AND SAY WHATEVER THAT PERSON WOULD SAY  
6 AS TO THAT PERSON'S AUTHORITY AND WHETHER THE DEFENDANT HAS THE  
7 ABILITY TO INSTRUCT OR REQUEST THIS INDIVIDUAL TO TRANSFER  
8 FUNDS FOR HER BENEFIT? WHY -- ISN'T THAT THE NEXT THING THAT I  
9 WOULD DO?

10 MR. PETERS: YOUR HONOR, THAT'S WHAT WE WERE  
11 ATTEMPTING TO ADDRESS BY PROFFERING WHAT MR. STESKAL TOLD US,  
12 THAT SHE DOESN'T HAVE AUTHORITY AND THAT HE -- AND THAT THE  
13 PEOPLE WITH AUTHORITY IS THIS GROUP OF FIVE PEOPLE WHO GIVE HIM  
14 INSTRUCTIONS. THOSE ARE THE PEOPLE WHO HAVE AUTHORITY FOR THE  
15 COMPANY.

16 NOW, MS. HE HAS BEEN IN CUSTODY FOR THE LAST 60 DAYS. THE  
17 COMPANY CONTINUES TO DO BUSINESS. IN FACT, THE GOVERNMENT HAS  
18 POINTED OUT SOME TRANSFERS WHICH ARE NECESSARY FOR IT TO DO  
19 BUSINESS BECAUSE THEY NEED TO PAY THEIR CONTRACTORS AND  
20 EMPLOYEES WHO WERE LOCATED OFFSHORE. COUNSEL JUST REFERENCED  
21 THAT THEY HAVE ACTIVITIES OFFSHORE. THEY NEED TO PAY THE  
22 PEOPLE THAT WORK AT THE COMPANY.

23 THE ONLY FINANCIAL TRANSACTIONS THAT THE GOVERNMENT HAS  
24 OFFERED TO YOUR HONOR EVIDENCE OF ARE THESE TRANSACTIONS THAT  
25 HAVE TAKEN PLACE, SOME OF WHICH SINCE MS. HE'S BEEN IN CUSTODY.

1 SHE OBVIOUSLY DIDN'T MAKE THOSE TRANSACTIONS OR CAUSE THOSE  
2 TRANSACTIONS TO BE MADE. SHE'S BEEN SITTING IN SANTA RITA, AND  
3 BEFORE THAT WAS IN TRANSIT FROM L.A. THROUGH OKLAHOMA TO GET UP  
4 HERE.

5 THE FIVE PEOPLE WHO ARE LISTED IN OUR PROFFER ARE THE  
6 PEOPLE THAT ARE IN CHARGE OF THE COMPANY. I DON'T KNOW  
7 SPECIFICALLY --

8 THE COURT: SO MAYBE I SHOULD HEAR FROM THEM. MAYBE  
9 THEY SHOULD TESTIFY. MAYBE THEY SHOULD BE SUBJECT TO  
10 CROSS-EXAMINATION.

11 I MEAN, THE -- I DON'T KNOW, MAYBE THEY'RE FRIENDS OF  
12 HERS. MAYBE THEY'RE RELATED TO HER. MAYBE THEY -- MAYBE THEY  
13 DON'T -- MAYBE THEY'VE RECEIVED INSTRUCTIONS FROM HER OR  
14 HAVEN'T. MAYBE THEY WOULD SAY THEY WOULD FOLLOW WHATEVER  
15 INSTRUCTIONS THEY GOT FROM HER OR THEY WOULDN'T.

16 BUT THAT'S THE ONLY WAY I CAN, I CAN DEAL WITH IT.

17 I DON'T THINK WHAT MR. STESKAL HAS SAID, WHICH I'M SURE IS  
18 ACCURATE, WHICH I'M SURE IS ACCURATE, ANSWERS THESE CONCERNS.  
19 IT WOULD BE AN EASY THING IF SHE'S ON A CARD, SHE'S ON A CARD,  
20 THE SIGNATURE. SHE'S NOT.

21 BUT THAT HARDLY ANSWERS THE CONCERN THAT THE GOVERNMENT  
22 HAS WITH RESPECT TO IT.

23 NOW, YOU MENTIONED THESE INVOICES, AND YOU'RE, I THINK,  
24 TALKING ABOUT THE INVOICES THAT WENT TO A COMPANY,  
25 UNFORTUNATELY NAMED MAKEBELIEVE, AND IN -- INVOICES FOR

1 \$250,000, MAYBE ONE OR TWO.

2 MR. FOSTER: TWO, YOUR HONOR.

3 MR. PETERS: I CAN ADDRESS THAT.

4 THE COURT: WELL, THE THING THAT STRUCK ME ABOUT IT  
5 IS IT'S RARE TO SEE AN INVOICE FOR PAYMENT OF MONEY GENERATED  
6 BY THE PERSON WHO OWES THE MONEY.

7 MR. PETERS: I DON'T THINK THAT THAT'S A PROPER -- I  
8 MEAN, I DON'T THINK THAT THAT'S --

9 THE COURT: WELL, ISN'T THAT TRUE?

10 MR. PETERS: NO, I DON'T THINK SO. I THINK THAT'S  
11 JUST THE WAY THE INVOICE WAS PREPARED.

12 THE GOVERNMENT SAYS IT'S ON THEIR LETTERHEAD, IT HAS THEIR  
13 NAME, IT HAS THE NAME DONE AT THE TOP, BUT I THINK THAT'S  
14 BECAUSE THEY'RE THE RECIPIENT OF THE SERVICES.

15 LET ME GIVE YOU A LITTLE BACKGROUND.

16 THE COURT: THERE'S NOTHING IN IT -- YOU LOOK AT THE  
17 PIECE OF PAPER. IT DOESN'T SAY "FOR SERVICES RENDERED." IT  
18 DOESN'T EXPLAIN THAT THIS IS FOR CONTRACTING SERVICES FOR OTHER  
19 PEOPLE. IT SIMPLY SAYS -- IT COMES FROM, OR APPEARS TO COME  
20 FROM THE COMPANY, NOT -- NOT MAKEBELIEVE, IT COMES FROM DONE OR  
21 DONE. I DON'T KNOW HOW TO PRONOUNCE IT.

22 MR. PETERS: DONE.

23 THE COURT: IT APPEARS TO COME FROM DONE. IT'S ON  
24 DONE'S LETTERHEAD.

25 BUT BE THAT AS IT MAY, IT'S A VERY ODD INVOICE AND IT

1 DOESN'T SEEM TO HAVE BEEN GENERATED BY MAKEBELIEVE, AND THERE'S  
2 NOTHING ON IT FROM MAKEBELIEVE THAT WOULD INDICATE THAT IT WAS  
3 FOR SERVICES RENDERED BY MAKEBELIEVE.

4 MR. PETERS: THERE'S --

5 THE COURT: AND HERE IT IS, \$500,000 OR SO, THAT WAS  
6 JUST TRANSFERRED OUT OF THE UNITED STATES AND TRANSFERRED TO  
7 SOME ACCOUNT I GUESS IN CHINA. I DON'T KNOW WHERE IT WAS.

8 MR. PETERS: HONG KONG.

9 THE COURT: HONG KONG.

10 MR. PETERS: YES.

11 THE COURT: HONG KONG IS CHINA NOW.

12 MR. PETERS: I'M TRYING TO MAKE AN ACCURATE RECORD,  
13 YOUR HONOR.

14 THE COURT: OKAY. YOU HAVE. YOU HAVE. AND  
15 HONG KONG IS CHINA NOW.

16 SO I THINK -- I THINK ANY FINANCIAL TRANSACTIONS THAT GO  
17 ON THROUGH HONG KONG WILL PROBABLY NEED THE BLESSING OF THE  
18 CHINESE GOVERNMENT, OR AT LEAST IT GOES WITH THEIR KNOWLEDGE,  
19 THOUGH I'M NOT -- LISTEN, I KNOW SO LITTLE ABOUT IT THAT I  
20 SHOULDN'T GIVE AN OPINION.

21 MR. PETERS: NO, THE -- YOUR HONOR, THE GOVERNMENT IS  
22 WELL AWARE THAT DONE HAS CONTRACTORS AND EMPLOYEES ABOARD,  
23 INCLUDING IN HONG KONG AND THE PHILIPPINES, AND THEY NEED TO  
24 GET PAID.

25 AND WHAT HAPPENED WAS THAT IN DECEMBER OF LAST YEAR, DONE

1 AND MAKEBELIEVE ENTERED INTO A CONTRACT FOR DONE TO -- FOR DONE  
2 TO RECEIVE WORK THROUGH CONTRACTORS PROVIDED BY MAKEBELIEVE,  
3 AND THE AMOUNT PAID WAS BASED UPON THE NUMBER OF CONTRACTORS  
4 THAT WERE SUPPLIED.

5 IN JUNE, AS THE COURT IS WELL AWARE --

6 THE COURT: BY THE WAY, NONE OF THIS IS IN THE  
7 RECORD. NONE OF THIS IS IN THE RECORD.

8 MR. FOSTER: NO.

9 THE COURT: IS IT?

10 MR. FOSTER: WE DON'T HAVE EVIDENCE OF THAT.

11 MR. PETERS: I'M PROFFERING THESE FACTS.

12 I GOT THEIR PLEADING AT 8:40 LAST NIGHT. THAT'S WHEN THEY  
13 FILED THIS INFORMATION ABOUT --

14 THE COURT: NO, NO, WAIT. MR. PETERS, THE \$250,000  
15 INVOICE, THEY'VE BEEN AROUND FOR AWHILE, NOT JUST LAST NIGHT.  
16 I MEAN, I SAW IT EARLIER. I THOUGHT I SAW IT EARLIER.

17 MR. FOSTER: THEY WERE ATTACHED TO THE ORIGINAL  
18 BRIEF.

19 THE COURT: BUT BE THAT AS IT MAY --

20 MR. PETERS: CAN I JUST PROFFER JUST SO THE COURT  
21 UNDERSTANDS WHAT OUR POSITION IS? AND IF I NEED TO PRODUCE  
22 EVIDENCE, FURTHER EVIDENCE ABOUT IT, I WILL. BUT I JUST WANT  
23 THE COURT TO UNDERSTAND WHAT WE BELIEVE THE EVIDENCE WILL SHOW  
24 AND TO PROFFER THESE FACTS.

25 DONE ENTERED INTO AN AGREEMENT WITH MAKEBELIEVE.

1 MAKEBELIEVE SUPPLIES CONTRACTORS TO WORK FOR THE COMPANY. THE  
2 AMOUNT THAT'S PAID EVERY MONTH IS BASED ON THE NUMBER OF  
3 PEOPLE.

4 THE CONTRACT PROVIDES THAT IT WAS, IT WAS TO BE -- THE  
5 MONEY WAS TO BE PAID AT THE END OF EVERY MONTH.

6 IN JUNE, MS. HE WAS INDICTED, AND THERE WAS A LOT OF  
7 PUBLICITY ABOUT THAT. MAKEBELIEVE -- AND PEOPLE LEFT DONE AS A  
8 RESULT OF THAT. EMPLOYEES LEFT DONE.

9 SO MAKEBELIEVE HAD TO HIRE MORE PEOPLE TO WORK IN THE  
10 FINANCE CAPACITY AND IN TERMS OF SOFTWARE ENGINEERING FOR THE  
11 COMPANY, AND THEY SAID, "WE DON'T WANT TO BE PAID AT THE END OF  
12 THE MONTH, WE WANT YOU TO PAY US AT THE BEGINNING OF THE  
13 MONTH."

14 SO AT THE END OF JUNE, THERE ARE TWO PAYMENTS OF \$250,000.  
15 ONE IS FOR JUNE LOOKING BACKWARDS PURSUANT TO THE CONTRACT, AND  
16 THE OTHER IS FOR JULY LOOKING FORWARD, AND THERE WILL BE  
17 ANOTHER PAYMENT AT THE -- AND THEN THERE'S SUBSEQUENT PAYMENTS  
18 FOR THE WORK THAT MAKEBELIEVE IS DOING.

19 THAT'S THE REASON WHY THERE ARE THOSE TRANSFERS.

20 MS. HE WAS IN JAIL IN THE END OF JUNE WHEN THOSE PAYMENTS  
21 WERE BEING MADE. SHE DIDN'T HAVE ANYTHING TO DO WITH MAKING  
22 THEM. PEOPLE OPERATING THE COMPANY -- THE COMPANY STILL  
23 OPERATES. THE COMPANY HASN'T BEEN CHARGED WITH ANYTHING.

24 AND WE -- WE CONTEND THAT THE COMPANY, ALL OF THE  
25 COMPANY'S ACTIVITIES ARE LEGITIMATE.

1 BUT I DON'T THINK THE GOVERNMENT DISPUTES THAT THE VAST  
2 MAJORITY OF THE ENCOUNTERS WHICH ARE BETWEEN DOCTORS AND  
3 INDIVIDUALS, THAT DOCTORS PRESCRIBE THE MEDICATION.

4 I MEAN, I UNDERSTAND THAT THE PRESUMPTION APPLIES HERE  
5 BECAUSE 846 APPEARS ON THE INDICTMENT. BUT THIS ISN'T THE KIND  
6 OF NORMAL, YOU KNOW, HEROIN CASE OR DRUG CASE WHERE IT'S --  
7 WHERE OBVIOUSLY THE SUBSTANCE IS ILLEGAL.

8 THE PEOPLE THAT RECEIVED ADDERALL GOT IT FROM PHARMACIES  
9 WHICH WERE --

10 THE COURT: BUT THIS IS -- THAT'S NOT UNIQUE.

11 MR. PETERS: -- PRESCRIBED BY DOCTORS.

12 THE COURT: THAT'S NOT UNIQUE. I SAT HERE AND TRIED  
13 A CASE FIVE, EIGHT YEARS AGO IN WHICH MR. COHEN AND MR. SWANSON  
14 WERE COUNSEL FOR AN INTERNET PRESCRIPTION ORDERING SERVICE THAT  
15 PROVIDED MEDICATION OF CONTROLLED SUBSTANCES, LIKE ADDERALL, I  
16 THINK IT WAS AMBIEN AND A FEW OTHER DRUGS, AND PROVIDED THAT  
17 WITHOUT A SERIOUS, DOCUMENTED DOCTOR'S EXAMINATION AND THE  
18 PRESCRIPTION.

19 AND THE PEOPLE WHO WERE BEING PROSECUTED, THERE WERE SOME  
20 DOCTORS, BUT THE PEOPLE WHO WERE BEING PROSECUTED WERE PEOPLE  
21 WHO SET UP THE WHOLE SCHEME AND THEY WEREN'T DOCTORS. THEY  
22 WERE -- AND THEY WEREN'T PHARMACISTS. THEY WERE ENTREPRENEURS  
23 WHO ESTABLISHED THIS NETWORK OF ORDERING DRUGS.

24 SO THIS ISN'T UNIQUE. I MEAN, YOU -- I LOOK AT THIS THING  
25 AND I THOUGHT SOMEBODY SAID, WELL, THIS IS SORT OF THING IS



1 THIS -- YOU KNOW, IS IT GOING AFTER TELEMARKETING COMPANIES?  
2 YES, THEY'VE BEEN GOING AFTER TELEMARKETING COMPANIES FOR AT  
3 LEAST TEN YEARS. THIS IS ONE MORE.

4 NOW, THERE MAY BE NO -- THERE MAY BE NO EVIDENCE OF IT.  
5 IT MAY BE TOTALLY LEGITIMATE.

6 BUT THEY'RE NOT SAYING EVERYBODY WHO GOT MEDICATION WAS AN  
7 ILLEGITIMATE -- SHOULD NEVER HAVE GOTTEN THE MEDICATION.

8 WHAT THEY ARE SAYING IS THAT SOME PEOPLE WHO GOT THE  
9 MEDICATION DID SO WITHOUT A PROPER MEDICALLY JUSTIFIABLE REASON  
10 BECAUSE OF THE MANNER IN WHICH IT WAS SET UP AND THEY BECAME  
11 ADDICTED AND THEY ABUSED THIS MEDICATION, AND THAT'S WHY THE  
12 FDA IS CONCERNED ABOUT THESE THINGS, TELEMARKETING AND INTERNET  
13 PHARMACIES, FOR THAT REASON.

14 SO THAT'S -- THAT'S THE OVERALL PICTURE.

15 BUT I DON'T THINK I GET INTO THE OVERALL PICTURE. I'M  
16 TRYING TO FIGURE OUT, IS SHE GOING TO -- IS SHE A FLIGHT RISK?  
17 PERIOD. THAT'S ALL I HAVE TO DECIDE, IS SHE A FLIGHT RISK?

18 AND YOU'RE TELLING ME THAT THESE PAYMENTS OF \$250,000 TO A  
19 COMPANY LOCATED IN HONG KONG ARE PERFECTLY LEGITIMATE PAYMENTS,  
20 TO WHICH I SAY, THERE'S NO EVIDENCE OF THAT. THE EVIDENCE THAT  
21 HAS BEEN PRESENTED ARE -- OF THE PAYMENTS ARE TWO INVOICES  
22 WHICH SEEM TO BE HIGHLY QUESTIONABLE AS TO THEIR AUTHENTICITY,  
23 THEIR LEGITIMACY. THAT MAY BE A BETTER WAY OF PUTTING IT.

24 SO THAT'S WHAT I HAVE IN THE RECORD.

25 I ALSO HAVE YOUR PROFFER, BUT A PROFFER IS NO EVIDENCE. I

1 CAN'T DECIDE SOMETHING BASED UPON A PROFFER AT ALL. I HAVE  
2 TO -- I HAVE TO DECIDE BASED ON EVIDENCE.

3 SO LET'S MOVE ON BECAUSE THAT'S ONLY SOME OF THE THINGS  
4 THAT ARE OF CONCERN.

5 ANOTHER THING THAT IS OF CONCERN IS HER CONSTANT -- AND  
6 IT'S REplete IN THESE DOCUMENTS -- ACTIVITIES WITH RESPECT TO  
7 DELETION OF, OF INFORMATION. I'LL CALL IT THAT.

8 AND IT'S NOT JUST ONE OCCASION. IT IS REpeated OCCASIONS  
9 WHERE SHE IS, BOTH IN HER ACTIVITIES, THAT IS, USING VARIOUS  
10 APPS THAT PERMITTED HER TO DELETE WHATEVER THE COMMUNICATION  
11 WAS, ONE; TWO, CONVERSATIONS IN THAT REGARD, AND THAT HARDLY  
12 FALLS WITHIN THE AMBIT OF THE HIPAA REQUIREMENTS TO PROTECT A  
13 PATIENT'S PRIVACY, WHICH I SORT OF THOUGHT WAS THE  
14 JUSTIFICATION FOR IT.

15 BUT CERTAINLY READING THROUGH ALL OF THESE DOCUMENTS, IT'S  
16 CLEAR THAT'S NOT WHAT'S GOING ON. IT'S CLEAR THAT SHE IS  
17 ATTEMPTING TO DELETE A WHOLE SERIES OF COMMUNICATIONS IN WHICH  
18 SHE IS TALKING ABOUT RUNNING THE COMPANY, TRANSFERRING FUNDS,  
19 GUIDING EMPLOYEES, AND DEALING WITH -- AND HERE'S WHERE IT GETS  
20 REALLY STICKY -- GOVERNMENT INVESTIGATIONS.

21 THEN YOU HAVE THE RATHER REMARKABLE CONVERSATION SHE HAS  
22 WITH GOOGLE IN WHICH SHE'S CONSTANTLY TALKING, AND IT GOES ON  
23 FOR PAGES, ABOUT IF I DELETE MY GOOGLE ACCOUNT, CAN THE POLICE  
24 GET IT?

25 IT'S NOT WHETHER SOME HACKER CAN GET IT. IT'S ABOUT

1 WHETHER SOME THIRD PARTY OUT THERE COULD GET IT. IT'S ABOUT  
2 WHETHER THE GOVERNMENT HAS ACCESS TO IT.

3 THEN YOU HAVE THE CONSTANT -- OR THEN YOU HAVE A SERIES OF  
4 CONVERSATIONS IN WHICH SHE IS BEING TOLD ABOUT ACCOUNTS THAT  
5 CAN BE SET UP WHICH CANNOT BE ACCESSED THROUGH AN EXTRADITION  
6 TREATY OR A COOPERATION TREATY.

7 AND WHILE SHE'S NOT USING THE WORD "EXTRADITION," OTHERS  
8 ARE IN CONVERSATIONS WITH HER. WHAT IS -- WHAT INFORMATION CAN  
9 BE OBTAINED?

10 AND FINALLY, LATCHING ON TO THE FACT THAT THE SAFEST PLACE  
11 IN WHICH HER FINANCIAL INFORMATION -- AND PARENTHETICALLY  
12 HERSELF -- IS HONG KONG, IS CHINA, BECAUSE SHE CAN'T BE  
13 EXTRADITED FROM CHINA, ONE; AND THE DOCUMENTS, THE FINANCIAL  
14 INFORMATION, CAN'T BE OBTAINED BY THE UNITED STATES IN CHINA.

15 SO ALL OF THAT -- I'M NOT EVEN TALKING ABOUT THE TRANSFER  
16 OF FUNDS -- ALL OF THAT, THERE'S NO EXPLANATION THAT I'VE SEEN,  
17 MR. PETERS. I'VE NOT SEEN -- I THOUGHT IT MAY BE ONE THING,  
18 BUT IT'S NOT THAT.

19 AND SO ALL -- YOU KNOW, IT -- NOT ONLY IS THERE A  
20 PRESUMPTION, THERE IS ABUNDANT EVIDENCE OF HER CONCEALMENT, OF  
21 HER TRANSFER OF FUNDS TO PLACES TO WHICH THERE IS NO RECOURSE  
22 BY THE GOVERNMENT, OR WESTERN GOVERNMENT, TO OBTAIN HER.

23 SO I THINK SHE'S AN EXTREME FLIGHT RISK. AND, YOU KNOW,  
24 I -- IF YOU HAVE EVIDENCE THAT WILL ANSWER THESE THINGS, THEN I  
25 THINK IT OUGHT TO BE PRESENTED.

1 BUT MR. STESKAL DOESN'T PRESENT THAT, AND NOR DO THESE  
2 EXPLANATIONS. THEY'RE NOT EVIDENCE. THEY MAY BE CORRECT, BUT  
3 THEY'RE NOT EVIDENCE.

4 SO, I MEAN, IF YOU HAVE SOME EVIDENCE TO PRODUCE, I'LL  
5 TAKE A LOOK AT IT AND THEN WEIGH IT AGAINST WHAT THE GOVERNMENT  
6 HAS SUBMITTED.

7 MR. PETERS: WELL, WE'VE, WE'VE PRODUCED EVIDENCE IN  
8 THE FORM OF THE -- I MEAN, OUR WRITTEN PROFFER WITH EXHIBITS  
9 WAS INTENDED TO BE, AND VIEWED AS, EVIDENCE.

10 THE COURT: WELL, A PROFFER IS NOT EVIDENCE.

11 MR. PETERS: WELL, BUT THE DOCUMENTS ATTACHED TO IT I  
12 THINK ARE.

13 THE COURT: YEAH, THE DOCUMENTS ARE THAT SHOW THAT,  
14 YES INDEED, THAT SHE HAS 616,000. I'M SURE THAT'S SUSTAINED.

15 BUT IT DOESN'T ANSWER, WHAT ABOUT ALL THESE OTHER FUNDS?  
16 IT DOESN'T -- WHAT ABOUT \$9 MILLION?

17 AND THE GOVERNMENT HAS SAID, "LOOK, PEOPLE COME IN AS A  
18 SURETY AND SO FORTH, THEY PUT UP 500,000 OR THEY PUT UP THIS OR  
19 THEY PUT UP THE HOUSE."

20 IF YOU'VE GOT \$9 MILLION SITTING IN AN ACCOUNT THAT YOU  
21 HAVE ACCESS TO, YOU CAN TAKE CARE OF THAT.

22 MR. PETERS: WELL --

23 THE COURT: NOW, MAYBE, IF YOU WERE COMING IN AND  
24 SAYING TO ME, "BY THE WAY, YOU KNOW WHAT WE'RE GOING TO DO WITH  
25 THE \$9 MILLION? WE'LL DEPOSIT IT WITH THE COURT. WE'LL FREEZE

1 IT. SHE WILL NOT HAVE ACCESS TO THAT, OR NO ONE WILL HAVE  
2 ACCESS TO THAT; NUMBER TWO, AS TO THE 500,000, THE MONEY IN  
3 MAKEBELIEVE, WE'LL ENSURE THAT SHE CANNOT -- SHE OR ANYONE  
4 ACTING ON HER BEHALF -- HAVE ACCESS TO IT."

5 MR. PETERS: YOUR HONOR --

6 THE COURT: I CAN'T WRITE OUT THE CONDITIONS.

7 MR. PETERS: I UNDERSTAND.

8 BUT THAT'S HELPFUL, YOUR HONOR, BECAUSE I'D LIKE TO  
9 ADDRESS -- I DON'T BELIEVE SHE HAS ACCESS TO THE COMPANY'S  
10 MONEY, IT'S ABOUT 8 MILLION, BUT THAT'S A SUBSTANTIAL AMOUNT OF  
11 MONEY. I'M NOT DISPUTING THAT.

12 IF WE CAN ADDRESS AND MAKE IT ABSOLUTELY CLEAR THAT SHE  
13 CANNOT ACCESS THAT MONEY IN A WAY THAT'S SATISFACTORY TO YOUR  
14 HONOR, WOULD THAT ADDRESS YOUR CONCERN ABOUT FLIGHT? BECAUSE  
15 OUR, OUR POINT ABOUT THE CHRONOLOGY OF WHAT'S HAPPENED IN THE  
16 LAST YEAR AND A HALF, YOUR HONOR, IS THAT -- AND THE GOVERNMENT  
17 SAYS SHE'S BEEN PLANNING TO FLEE AND ATTEMPTING TO FLEE, BUT  
18 ACTUALLY, SHE, IN FEBRUARY -- SHE CAME BACK IN JANUARY OF  
19 2022 -- 2023.

20 SHE WAS ASKED NOT TO LEAVE AND TRAVEL IN FEBRUARY. SHE  
21 GAVE HER PASSPORT, HER ONLY PASSPORT, VOLUNTARILY HANDED IT  
22 OVER. I HAVE IT IN COURT HERE. I'M PREPARED TO GIVE IT TO THE  
23 COURT OR PRETRIAL SERVICES OR WHATEVER.

24 SHE REMAINED HERE THROUGHOUT THAT ENTIRE PERIOD. IN  
25 DECEMBER, SHE ASKED PERMISSION TO TRAVEL. SHE WAS TOLD THE

1 GOVERNMENT DIDN'T WANT HER TO TRAVEL, AND SHE DIDN'T.

2 SO THIS -- THE HISTORY ABOUT HER ACTIVITIES AND HER  
3 SUPPOSED PLAN TO FLEE ESTABLISHES THE EXACT OPPOSITE, THAT SHE  
4 DISABLED HERSELF FROM DEPARTING BY VOLUNTARILY GIVING OVER HER  
5 PASSPORT 18 MONTHS AGO, AND THEN SHE CHOSE TO REMAIN HERE AT A  
6 POINT IN TIME WHERE THE GOVERNMENT WAS ABLE TO REACH HER  
7 THROUGH HER COUNSEL AT ANY TIME THEY WANTED TO.

8 SO I THINK THERE ISN'T ANY RECORD ACTUALLY OF HER PLANNING  
9 TO FLEE, INTENDING TO FLEE.

10 THE EVIDENCE THAT -- SO I THINK WE'VE REBUTTED THAT  
11 EVIDENCE AND REBUTTED THE PRESUMPTION IN REGARDS TO THAT.

12 I UNDERSTAND THE COURT'S CONCERN ABOUT MONEY, THE  
13 COMPANY'S MONEY, AND WE DIDN'T UNDERSTAND THAT THE COURT WOULD  
14 VIEW IT AS MONEY THAT SHE COULD READILY USE.

15 BUT IF WE CAN MAKE IT CLEAR TO THE COURT THAT SHE IS  
16 DISABLED FROM ACCESSING THAT MONEY, WOULD THAT --

17 THE COURT: WELL, IS THAT IMPORTANT? IT'S  
18 SIGNIFICANT.

19 MR. PETERS: YES.

20 THE COURT: ONE.

21 HOWEVER, LET'S NOT FOOL OURSELVES. IT'S NOT A LEGAL  
22 QUESTION WHETHER SHE HAS ACCESS TO THE MONEY, THOUGH THAT'S  
23 OBVIOUSLY A CONSIDERATION.

24 IT'S WHETHER EFFECTIVELY SHE CAN ACCESS THE MONEY.

25 AND UNLESS I'M CONVINCED THESE ARE FIVE PEOPLE, OR

1       WHATEVER IT IS, WHO HAVE NO RELATIONSHIP WITH HER AT ALL, THAT  
2       THEY OWE A -- THAT IT MAKES SENSE THAT THEY'RE ON THE BOARD,  
3       WHOEVER THEY ARE, AND -- THOUGH I THINK THAT THAT'S VERY  
4       UNLIKELY SINCE IT'S HER COMPANY. I WOULD FIND IT VERY ODD THAT  
5       THE PERSON WHO'S THE MAJORITY SHAREHOLDER OF A COMPANY HAS A  
6       BOARD OF DIRECTORS THAT THEY DON'T EVEN -- THAT SHE WOULDN'T  
7       EVEN KNOW.

8               MR. PETERS: OF COURSE SHE KNOWS THOSE PEOPLE.

9               THE COURT: OF COURSE SHE DOES.

10              SO I THINK THAT -- SO WHAT I'M TELLING YOU, MR. PETERS, IS  
11      THAT I DOUBT IF I WOULD FIND ANYTHING REALLY SATISFACTORY ON --  
12      IN THAT RESPECT, OTHER THAN TAKING THE \$8 MILLION, \$9 MILLION,  
13      AND DEPOSITING IT WITH THE COURT. THAT'S -- THAT MAY OR MAY  
14      NOT PUT THIS COMPANY OUT OF BUSINESS. I DON'T KNOW. I DON'T  
15      KNOW ENOUGH ABOUT THE COMPANY.

16              MR. PETERS: THE COMPANY NEEDS TO OPERATE, YOUR  
17      HONOR.

18              WHAT IF -- WHAT IF ANY CHANGE IN THE BANKING RELATIONSHIPS  
19      OR ANY TRANSFERS OVER A CERTAIN AMOUNT HAD TO BE APPROVED BY  
20      COUNSEL FOR THE COMPANY, AND THEN IF HE THOUGHT THAT THERE WAS  
21      ANYTHING SUSPICIOUS, HE WOULD TELL THE GOVERNMENT?

22              MR. PETERS: WELL, MR. STESKAL, HE'S A PRETTY GOOD  
23      PERSON.

24              MR. FOSTER: HE IS.

25              MR. PETERS: THAT'S WHAT I WAS THINKING OF.

1 THE COURT: AND THE ANSWER IS I DON'T KNOW. LET'S  
2 SEE WHERE -- LET'S SEE WHERE WE ARE. LET'S SEE WHAT THE  
3 PROPOSAL IS.

4 ON THE ONE HAND -- ON THE ONE HAND, I'M HIGHLY SUSPICIOUS  
5 OF ANY RELATIONSHIP THAT ISN'T CLEARLY SEPARATE FROM ANY  
6 CONTROL SHE OR MEMBERS OF HER FAMILY OR FRIENDS CAN, CAN  
7 IMPORE. FOR EXAMPLE, I MEAN, THERE ARE WAYS -- YOU COULD PUT  
8 IN A SEPARATE RECEIVER. YOU COULD TAKE ALL THESE PEOPLE OUT  
9 AND YOU CAN PUT IN SOMEBODY WHO CAN RUN THE COMPANY WHO HAS --  
10 YEAH, I MEAN, THAT'S THE SORT OF THING THAT I'M LOOKING AT IN  
11 TERMS OF THAT.

12 SECONDLY, IN TERMS OF THE MONEY THAT'S AT MAKEBELIEVE, I  
13 BETTER HAVE SOME EXAMINATION OF PEOPLE WHO ARE RUNNING THAT TO  
14 ENSURE THAT SHE HAS NO ACCESS TO THAT. THAT'S A MILLION  
15 DOLLARS AT LEAST, OR MAYBE IT'S NOT.

16 MR. FOSTER: I BELIEVE 1.4, YOUR HONOR.

17 THE COURT: 1.4 MILLION. SO THAT'S A SUFFICIENT --  
18 THAT'S A LARGE SUM OF MONEY TO WHICH THE GOVERNMENT CONTENTS,  
19 WHETHER CORRECTLY OR NOT, THAT THESE ARE FUNDS THAT SHE WOULD  
20 HAVE ACCESS TO.

21 MR. FOSTER: AND I WANT TO BE CLEAR, YOUR HONOR, WHAT  
22 WE CONTEND IS THAT WE DON'T KNOW BECAUSE THERE WAS THIS  
23 INTENTIONAL PLAN TO PLACE IT OUTSIDE THE UNITED STATES, AND THE  
24 FINANCIAL INSTITUTE SHUT DOWN THE ACCOUNT BECAUSE OF INDICIA OF  
25 INTERNATIONAL --



1 MR. PETERS: THEY SHUT IT DOWN BECAUSE OF THE  
2 INDICTMENT. THAT'S --

3 THE COURT: WELL, SO WHERE THE MONEY?

4 MR. PETERS: -- EXACTLY WHAT HAPPENED.

5 THE MONEY IS NOT OUTSIDE THE UNITED STATES. IT'S HERE.

6 THE COURT: WHERE IS THE MONEY?

7 MR. FOSTER: THE 1.4 WAS TRANSFERRED TO MAKEBELIEVE,  
8 YOUR HONOR.

9 AFTER THE TRANSACTIONS, THE FINANCIAL INSTITUTION --  
10 THERE'S A REPORT OF INTERVIEW THAT WAS SUBMITTED AS AN EXHIBIT  
11 THAT YOUR HONOR CAN REFER TO, AND IT INDICATED THAT HE  
12 CONDUCTED AN ANTI-MONEY LAUNDERING INVESTIGATION AND THE NATURE  
13 OF THE TRANSFER, THE SIZE, THE LACK OF INTERNET PRESENCE, THE  
14 INVOICES, WHICH BORE THE APPEARANCE OF FRAUD, ALL LED THEM TO  
15 CLOSE THE ACCOUNT.

16 SO I WANT TO MAKE CLEAR, I DON'T KNOW WHETHER THAT IS --

17 THE COURT: BUT WHAT HAPPENED TO THE MONEY?

18 MR. FOSTER: THE MONEY IS GONE. IT WAS TRANSFERRED.

19 THE COURT: TO WHERE?

20 MR. FOSTER: TO MAKEBELIEVE IN HONG KONG. IT'S BEEN  
21 1.4 MILLION --

22 THE COURT: OH, YOU'RE SAYING THAT THE MONEY --

23 MR. FOSTER: OH, I CAN ANSWER THAT.

24 THE COURT: I'M TRYING TO FIND OUT, WHERE IS THE  
25 MONEY THAT WENT TO MAKEBELIEVE?

1 MR. FOSTER: IN HONG KONG, YOUR HONOR.

2 THE COURT: THAT'S IN HONG KONG?

3 MR. FOSTER: YES.

4 THE COURT: OKAY. SO OSTENSIBLY SHE WOULD HAVE  
5 ACCESS TO IT, OR SOMEBODY WOULD HAVE ACCESS TO IT.

6 MR. PETERS: UNLESS IT WAS USED TO PAY CONTRACTORS.

7 THE COURT: OKAY. SO YOU HAVE TO -- THAT'S ANOTHER  
8 ISSUE. THAT'S ANOTHER ISSUE.

9 MR. FOSTER: YES, YOUR HONOR.

10 MR. PETERS: WELL, THE GOVERNMENT DOESN'T -- I MEAN,  
11 THEY -- THEY'RE NOT OFFERING ANY PROOF THAT IT'S AVAILABLE TO  
12 HER IN HONG KONG. THEY'RE JUST SPECULATING THAT IT IS BECAUSE  
13 THERE WERE THESE TRANSFERS.

14 BUT THEY KNOW PERFECTLY WELL THAT THE COMPANY EMPLOYS A  
15 LARGE NUMBER OF CONTRACTORS AND EMPLOYEES OFFSHORE, AND THEY  
16 KNOW, JUST LOGICALLY, THOSE PEOPLE HAVE TO GET PAID.

17 AND THEY HAVE ACCESS TO THE COMPANY'S BOOKS, AND THEY SEE  
18 THESE TRANSFERS EVERY MONTH GOING TO MAKEBELIEVE, AND THEY KNOW  
19 THAT THE -- I BELIEVE THEY KNOW THAT THE REASON FOR THAT IS TO  
20 PAY COMPANY CONTRACTORS.

21 AND THERE ISN'T SOME SLUSH FUND SITTING OUT THERE IN  
22 HONG KONG THAT MS. HE IS GOING TO USE BECAUSE THEY HAVE TO PAY  
23 THEIR EMPLOYEES.

24 MR. FOSTER: WHAT WE KNOW, YOUR HONOR, AND WHAT WE  
25 SUBMITTED WAS THAT THE DEFENDANT TALKED WITH FOREIGN PARTIES

1 ABOUT OPENING UP BANK ACCOUNTS IN THEIR NAMES TO RECEIVE FUNDS.

2 WE DON'T KNOW WHERE THIS OVERALL APPROXIMATELY 13 MILLION  
3 HAS GONE, BUT WE KNOW THAT THAT, IN COMBINATION WITH HER OTHER  
4 COMMUNICATIONS, SHOULD LEAD TO AN INFERENCE THAT THERE ARE  
5 FUNDS, PEOPLE, A BUSINESS AVAILABLE FOR HER IN THE EVENT OF  
6 FLIGHT.

7 AND I THINK YOUR HONOR PUT YOUR FINGER ON IT, WHICH IS  
8 THAT THE FINANCES ARE ONE THING, BUT WHAT REALLY DISTINGUISHES  
9 THIS CASE FROM THAT OF MR. LYNCH AND OTHERS IS THE DEMONSTRATED  
10 SPECIFIC INTENT TO FLEE. WHETHER THERE'S \$13 MILLION OR  
11 \$500,000 OR \$50,000 --

12 THE COURT: WELL, THIS ISN'T LIKE MR. LYNCH,  
13 DR. LYNCH'S CASE IN SOME RESPECTS, MAYBE MOSTLY SIGNIFICANT OF  
14 WHICH IS THAT DR. LYNCH REALLY COULDN'T GO ANYWHERE. I MEAN,  
15 HE COULD RETURN TO ENGLAND, BUT ENGLAND EXTRADITED HIM, AND  
16 THAT WAS HIS HOME. SO HE HAD NO SAFE HAVEN.

17 HE WOULD HAVE TO HAVE RESIDED IN A PLACE THAT HAD NO  
18 EXTRADITION TREATY WITH THE UNITED STATES, OR WITH ENGLAND FOR  
19 THAT MATTER. AND HIS SITUATION -- SADLY, HIS SITUATION WAS  
20 VERY, VERY DIFFERENT FROM THIS SITUATION BECAUSE IF THE  
21 DEFENDANT RETURNS TO THE COUNTRY OF HER BIRTH, IN WHICH SHE'S  
22 FLUENT IN THE LANGUAGE, IN WHICH RELATIVES LIVE, SHE WON'T BE  
23 EXTRADITED TO THE UNITED STATES. THE CHINESE GOVERNMENT WILL  
24 NOT SEND HER BACK HERE.

25 AND SO IT'S A DIFFERENT SITUATION.

1 I USED THE DR. LYNCH SITUATION TO SAY THAT MAYBE THERE ARE  
2 A SET OF CIRCUMSTANCES, CONDITIONS, THAT COULD ENSURE HER  
3 PRESENCE IN THE UNITED STATES.

4 BUT IT'S NOT -- IT'S NOT -- THEY WOULDN'T NECESSARILY BE  
5 THE SAME BECAUSE, ONE -- WELL, FOR THE REASONS I'VE STATED.

6 MR. PETERS: BUT, YOUR HONOR, DR. LYNCH -- AND I  
7 WASN'T INVOLVED IN THAT CASE, BUT DR. LYNCH ALSO FOUGHT  
8 EXTRADITION, AND MS. HE VOLUNTARILY HANDED OVER HER PASSPORT  
9 AND AGREED TO STAY HERE FOR 18 MONTHS KNOWING THAT THERE WAS  
10 THIS INVESTIGATION.

11 I MEAN, IT -- THAT KEEPS GETTING DROPPED FROM THE  
12 DISCUSSION, BUT I THINK SHE'S DEMONSTRATED THAT SHE HAS NO  
13 INTENTION TO FLEE.

14 AND COUNSEL JUST TALKED ABOUT \$13 MILLION. I HAVEN'T SEEN  
15 A SHRED OF EVIDENCE ABOUT \$13 MILLION. I SEE 1.4 TO  
16 MAKEBELIEVE, AND WE'VE DISCUSSED THAT.

17 BUT I DON'T KNOW WHAT HE'S TALKING ABOUT WHEN HE TALKS  
18 ABOUT \$13 MILLION.

19 MR. FOSTER: WE PRODUCED THE RECORDS TO YOU.

20 MR. PETERS: YOU PRODUCED THOUSANDS OF PAGES.  
21 THERE'S NO -- I HAVE NO IDEA WHAT YOU'RE TALKING ABOUT ABOUT  
22 \$13 MILLION.

23 MR. FOSTER: WELL, I --

24 MR. PETERS: THERE'S NO EVIDENCE BEFORE THE COURT OF  
25 ANY \$13 MILLION, OTHER THAN WHAT COUNSEL SAYS.

1           AND I UNDERSTAND THE COURT'S CONCERNS ABOUT THE  
2           OBSTRUCTION CHARGE. WE THINK THAT THAT'S NOT A PARTICULARLY  
3           STRONG CHARGE. THE IDEA THAT USING SIGNAL OR WHATSAPP AS A  
4           METHOD OF OBSTRUCTING JUSTICE IS SOMETHING WE DON'T THINK IS A  
5           STRONG ALLEGATION, BUT THAT'S THE CHARGE IN THE CASE.

6           THE RELATIONSHIP TO HER ABILITY TO FLEE OR HER DESIRE TO  
7           FLEE BASED ON THE ALLEGATION THAT SHE USED SIGNAL OR, IN ONE  
8           CASE SIX MONTHS BEFORE THERE WAS A GRAND JURY SUBPOENA, CHANGED  
9           A DOCUMENT, I UNDERSTAND THAT MAYBE THAT'S TANGENTIALLY  
10          RELEVANT TO THE QUESTION OF FLIGHT, BUT VERY TANGENTIALLY.

11          THE COURT: ARE CONVERSATIONS ABOUT EXTRADITION  
12          SIGNIFICANT IN TERMS OF FLIGHT?

13          MR. PETERS: I THINK THAT THOSE ARE LEGITIMATE THINGS  
14          FOR THE COURT TO BE CONCERNED ABOUT.

15          BUT SINCE THEN, SHE HANDED OVER HER PASSPORT AND AGREED TO  
16          STAY HERE.

17          THE COURT: WELL, BECAUSE SHE'S HERE NOW, AND I -- I  
18          MEAN, MAYBE SHE THOUGHT -- I DON'T KNOW WHAT SHE THOUGHT. I  
19          DON'T WANT TO PUT MYSELF IN HER FRAME OF MIND. I DON'T KNOW  
20          WHETHER -- SHE DISCUSSES IN SOME DETAIL THAT THE REASON SHE  
21          WANTS TO KEEP CASH ON HAND WAS THAT, IN HER VIEW, AS SHE  
22          DISCUSSES IT -- HER WORDS -- THAT PERHAPS WHAT THE GOVERNMENT  
23          WILL WANT HER TO DO IS TO PAY A FINE OR TO ALTER THE MANNER IN  
24          WHICH THE COMPANY IS BEING RUN, AND SHE CITES OTHER COMPANIES  
25          AS HAVING BEEN OUT OF COMPLIANCE AND THEN BACK INTO COMPLIANCE

1 WITH THE GOVERNMENT.

2 IT MAY HAVE BEEN HER VIEW THAT THIS WAS A PROBLEM THAT  
3 COULD BE RELATIVELY -- "RELATIVE" IS THE OPERATIVE WORD --  
4 RELATIVELY EASILY TAKEN CARE OF BY THE PAYMENT OF A FINE OR A  
5 FINANCIAL ADJUSTMENT.

6 SHE DIDN'T BELIEVE SHE WAS GOING TO BE ARRESTED.

7 AT A TIME THAT SHE DOES SAY IN A CONVERSATION, DISCUSSES  
8 ARREST, IN THAT CONVERSATION, SHE TALKS ABOUT EXTRADITION AND  
9 SHE TALKS ABOUT OPENING ACCOUNTS THAT WOULDN'T BE SUBJECT TO  
10 GOVERNMENT SCRUTINY.

11 SO TIMES CHANGE. TIMES CHANGE, AND CIRCUMSTANCES CHANGE.

12 AND I'M QUITE SURE NOW SHE REALIZES THIS IS A VERY SERIOUS  
13 MATTER. SHE'S IN JAIL NOW, AND SHE COULD VERY WELL SPEND THE  
14 REST OF HER TIME IN JAIL UNTIL A TRIAL, AND IF SHE'S  
15 CONVICTED -- AND FOUR PEOPLE HAVE ALREADY PLED GUILTY AND  
16 AGREED TO TESTIFY AGAINST HER -- THAT MAYBE THE LIKELIHOOD IS  
17 THAT SHE WOULD BE CONVICTED.

18 AND IF SHE'S CONVICTED, THEN SHE'S NOT GETTING OUT OF JAIL  
19 POSSIBLY.

20 I MEAN, WE ALL -- WHAT I'M SAYING IS REALITIES CHANGE OVER  
21 TIME AND UNDERSTANDINGS OF REALITIES CHANGE OVER TIME.

22 ANYWAY, I THINK WE'RE AT THE POINT -- AND CORRECT ME IF  
23 I'M WRONG -- THAT I SHOULD ALLOW YOU TO BRING IN MR. STESKAL  
24 AND THESE FIVE PEOPLE IF YOU WANT TO CONVINCE ME, OR YOU HAVE  
25 SOME OTHER MECHANISM, THAT SHE WILL HAVE NO ACCESS TO ANY OF

1       THESE FUNDS, OR HER FRIENDS WON'T HAVE ANY ACCESS TO THESE  
2       FUNDS, I'LL CERTAINLY HEAR THAT EVIDENCE.

3               MR. PETERS:   WELL, WHAT ABOUT --

4               THE COURT:   I THINK MR. GRAY WANTS TO CONFER WITH  
5       YOU.

6               GO AHEAD, TALK.

7               (DISCUSSION OFF THE RECORD BETWEEN DEFENSE COUNSEL.)

8               MR. PETERS:   ONE THING WE DISCUSSED LAST TIME IS THE  
9       POSSIBILITY OF TRYING TO ARRANGE SOME SORT OF PRIVATE SECURITY  
10      GUARD OF HER, ALONG THE LINES OF LYNCH.   I MEAN, I'M JUST  
11      TRYING TO FIGURE OUT WHAT OPTIONS WE HAVE IN ADDITION TO  
12      BRINGING IN EVIDENCE AND CONTINUING TO ARGUE TO YOUR HONOR.

13              THE COURT:   THAT'S A FAIR QUESTION, A VERY FAIR  
14      QUESTION.   AND, AGAIN, I WOULD HAVE TO SEE SOME PROPOSALS.

15              BUT ALONG THE LINE OF WHAT DR. LYNCH DID WOULD BE WHAT I  
16      WOULD ENVISION, WHICH WOULD BE A 24 HOUR INDEPENDENT SERVICE, A  
17      PROTECTIVE SERVICE WHOSE RESPONSIBILITIES WERE TO ENSURE THAT  
18      SHE REMAINS UNDER HOUSE ARREST AT A PARTICULAR LOCATION, PLUS A  
19      MONITOR -- AND RESTRICT HER TRAVEL, PLUS SOME TYPE OF ANKLE  
20      MONITOR OR MONITORING SYSTEM.

21              I MEAN, YOU SAW THE CONDITIONS THAT I IMPOSED WITH  
22      DR. LYNCH.   I MODIFIED THEM SOMEWHAT OVER TIME TO ALLOW HIM TO  
23      TRAVEL TO VISIT LAWYERS AND SO FORTH AND SO ON, WHICH I WILL DO  
24      IN HER CASE AS WELL TO VISIT COUNSEL AS LONG AS SHE WAS  
25      ACCOMPANIED BY THE PROTECTIVE SERVICE.

1 SO IT'S NOT -- I WOULDN'T -- I WOULD TRY NOT TO INTERFERE  
2 WITH HER ABILITY TO REPRESENT HERSELF.

3 MR. PETERS: THANK YOU.

4 THE COURT: AND AGAIN I SAY, I DON'T KNOW WHETHER  
5 YOU -- ARE YOU -- YOU SAID SPECIAL APPEARING. THESE ARE MAGIC  
6 WORDS VERY SELDOM USED IN FEDERAL COURTS SINCE THERE'S NO SUCH  
7 THING.

8 MR. PETERS: I --

9 THE COURT: BUT I DON'T -- I DON'T BELIEVE -- YOU'RE  
10 NOT -- IN MY VIEW, YOU'RE HERE FOR THE BAIL PURPOSES. IF YOU  
11 ARE THEN TO REPRESENT HER IN THE TRIAL, YOU WOULD SIMPLY ADVISE  
12 ME OF THAT FACT.

13 BUT I DO WANT TO SET A TRIAL, AND I'LL SAY TO YOU, OR  
14 ANYBODY ELSE WHO COMES IN, THAT I WILL SET A TRIAL WITHIN THE  
15 SPEEDY TRIAL ACT, IN OTHER WORDS, I CAN SET A TRIAL WITHIN 70  
16 DAYS.

17 MR. PETERS: I -- I WANT TO ADDRESS THAT, BECAUSE  
18 THAT'S FAIR. IN FACT, I'M SURPRISED WE'VE GOTTEN THIS FAR  
19 WITHOUT YOUR HONOR ASKING ME THAT.

20 WE INTEND TO REPRESENT HER IN THE CASE, BUT I WANT TO SIT  
21 DOWN AND REALLY TALK TO HER ABOUT THE CASE AND THE SITUATION IN  
22 A WAY WHICH IS VERY HARD TO DO, WE -- THROUGH A PHONE OR EVEN  
23 IN A LITTLE ROOM IN SANTA RITA.

24 SO WHAT WE'RE HOPING TO DO IS GET THROUGH THIS PROCESS,  
25 WORK OUT -- GET TO "YES" ON TERMS AND CONDITIONS THAT THE COURT



1 WILL ACCEPT SO SHE CAN BE RELEASED, AND THEN SIT DOWN AND MAKE  
2 THAT TYPE OF AGREEMENT WITH HER.

3 AND THAT'S WHAT WE EXPECT TO HAPPEN, BUT WE HAVEN'T DONE  
4 IT YET BECAUSE WE'VE JUST GOT INVOLVED RECENTLY, WE'VE BEEN  
5 VERY FOCUSSED ON TRYING TO GET HER OUT SO THAT WE CAN HAVE THAT  
6 DISCUSSION.

7 THE COURT: WELL, I --

8 MR. PETERS: YOUR HONOR KNOWS THAT IT ISN'T JUST  
9 LIKE -- REPRESENTING A PERSON IN A CASE THAT'S COMPLEX LIKE  
10 THIS ISN'T JUST LIKE GOING AND --

11 THE COURT: NO.

12 MR. PETERS: I REALLY WANT TO SIT DOWN AND BE ABLE TO  
13 HAVE A CONFIDENTIAL CLIENT-ATTORNEY CONVERSATION WITH HER ABOUT  
14 THE CASE AND REPRESENTING HER, AND I'M HOPING TO DO THAT IN MY  
15 OFFICE, NOT IN A LITTLE ROOM AT SANTA RITA.

16 THE COURT: YEAH, BUT I WOULD SAY THAT -- I CAN'T  
17 GIVE YOU AN ASSURANCE ONE WAY OR THE OTHER.

18 MR. PETERS: I UNDERSTAND.

19 THE COURT: AS OF NOW, SHE'S IN CUSTODY. AS OF NOW,  
20 I BELIEVE THAT THE GOVERNMENT HAS ESTABLISHED THAT SHE IS A  
21 SIGNIFICANT FLIGHT RISK.

22 THAT CAN CHANGE DEPENDING ON WHAT YOU PRESENT TO ME, AND  
23 IT'S SORT OF IN YOUR HANDS.

24 BUT, AGAIN, I'LL GO BACK TO THE FACT THAT -- WELL, LISTEN,  
25 MAYBE YOU CAN'T MAKE A DECISION RIGHT NOW. I MEAN, YOU --

1 THAT'S PERFECTLY UNDERSTANDABLE.

2 MR. PETERS: MAKE A DECISION ABOUT?

3 THE COURT: MAKE A DECISION AS TO A TRIAL DATE OR  
4 SOMETHING ALONG THAT LINE. MAYBE YOU CAN'T DO IT NOW. YOU'RE  
5 JUST NOT --

6 MR. PETERS: I'M SORRY, YOUR HONOR.

7 THE COURT: YOU'RE NOT INFORMED.

8 MR. PETERS: I'D REALLY LIKE TO STAY FOCUSSED ON  
9 BAIL. I'D LIKE TO SEE IF WE CAN ADDRESS YOUR HONOR'S  
10 CONCERNS --

11 THE COURT: OKAY.

12 MR. PETERS: -- AND COME BACK AS SOON AS POSSIBLE  
13 WITH A PACKAGE THAT IS ALONG THE LINES OF WHAT WE'VE BEEN  
14 DISCUSSING AND SEE IF WE CAN MAKE THAT WORK.

15 THE COURT: WELL, I CAN SEE YOU NEXT WEEK TOWARDS THE  
16 END OF THE WEEK, OR I COULD SEE YOU THE FOLLOWING WEEK. WHAT  
17 DO YOU WANT TO DO?

18 MR. PETERS: SHOULD -- I MEAN, SHOULD WE SET ANOTHER  
19 TIME? I --

20 THE COURT: WELL, OR WE CAN NOT SET A TIME --

21 MR. PETERS: NO, I'D LIKE TO SET A TIME.

22 THE COURT: -- AND HAVE YOU COME BACK WHEN YOU'RE  
23 READY.

24 (DISCUSSION OFF THE RECORD BETWEEN DEFENSE COUNSEL.

25 MR. PETERS: SHOULD WE JUST CONTACT YOUR HONOR'S

1 COURTROOM DEPUTY?

2 THE COURT: YEAH, WHY DON'T YOU DO THAT? I'M -- I  
3 THINK I NEED TO -- I THINK I NEED TO MAKE FINDINGS WITH RESPECT  
4 TO DETENTION BASED UPON THE RECORD AS IT PRESENTLY EXISTS.

5 I'LL ASK THE GOVERNMENT TO PREPARE FINDINGS IN THAT REGARD  
6 CONSISTENT WITH WHAT I'VE SAID AND CONSISTENT WITH WHAT THE  
7 EVIDENCE IS THAT HAS BEEN PRODUCED.

8 MR. FOSTER: YES, YOUR HONOR.

9 THE COURT: NOW, SUBJECT TO -- SO IF, IN FACT, YOU  
10 THINK AT THIS POINT YOU'RE -- AT THIS POINT, SHE SHOULD HAVE  
11 BEEN RELEASED -- WELL, OF COURSE, WE HAVEN'T TALKED ABOUT  
12 CONDITIONS. BUT AS OF NOW, I'M UNAWARE OF CONDITIONS THAT  
13 WOULD BE SATISFACTORY BECAUSE NONE HAVE BEEN PROPOSED.

14 MR. PETERS: YOUR HONOR, WHAT I WOULD ANTICIPATE  
15 DOING, IF WE CAN WORK IT OUT, IS TO PROPOSE THE KIND OF  
16 CONDITIONS AND ARRANGEMENT THAT YOU'VE JUST DESCRIBED, ALONG  
17 WITH WHAT WE'VE ALREADY PROPOSED, AND PRESENT THAT TO THE  
18 COURT.

19 BUT I -- THAT'S GOING TO TAKE ME A COUPLE OF DAYS TO PUT  
20 THAT TOGETHER.

21 THE COURT: WELL, SURE. I DON'T QUITE KNOW HOW TO  
22 PROCEED. IT SEEMS TO ME THAT I -- I SHOULD ISSUE AN ORDER WITH  
23 RESPECT TO WHETHER SHE CONSTITUTES A FLIGHT RISK.

24 MR. PETERS: OR HOLD THE HEARING OPEN UNTIL NEXT  
25 WEEK.

1 THE COURT: AND TO SAY, AFTER FINDING THAT AND  
2 CONSISTENT WITH IT, THE COURT WILL CONSIDER PROPOSALS TO  
3 MITIGATE AGAINST THIS FLIGHT RISK SHOULD SOME BE PRESENTED TO  
4 IT, AND LEAVE IT UP TO YOU AS TO WHEN YOU WANT TO RESOLVE IT.

5 I WILL NOT BE HERE MONDAY, TUESDAY, OR WEDNESDAY OF NEXT  
6 WEEK?

7 MR. PETERS: YOU WILL NOT?

8 THE COURT: I WILL NOT.

9 MR. PETERS: SO CAN WE PUT IT ON THEN FOR THURSDAY OR  
10 FRIDAY OF NEXT WEEK?

11 THE COURT: SURE.

12 MR. PETERS: AND I THINK BY THEN WE WILL HAVE OUR  
13 DUCKS IN A ROW.

14 I JUST DON'T WANT TO BE FORECLOSED FROM COMING BACK.

15 THE COURT: YOU'RE NOT FORECLOSED.

16 MR. PETERS: THANK YOU.

17 THE COURT: AS A MATTER OF FACT, IN BAIL HEARINGS, I  
18 DON'T THINK YOU'RE EVER FORECLOSED.

19 MR. PETERS: WELL, THE GOVERNMENT HAS ARGUED A COUPLE  
20 TIMES THAT WE WERE. I THINK THAT YOUR HONOR ALWAYS HAS THE  
21 AUTHORITY TO MODIFY THE CONDITIONS UP OR DOWN.

22 THE COURT: I HAD SOME -- WELL, WE'RE NOT IN THE  
23 DISTRICT OF NEVADA WHERE APPARENTLY THAT SEEMS TO BE --

24 MR. PETERS: WE WERE HERE THE OTHER DAY, YOUR HONOR.

25 THE COURT: -- THAT SEEMS TO BE -- I DON'T KNOW WHERE

1           THEY GOT THAT IDEA.

2           I WOULD ALWAYS CONSIDER ANY -- YOU KNOW, I THINK YOU  
3           ALWAYS HAVE TO CONSIDER IT, FOR A VARIETY OF REASONS.

4           ANYWAY, OKAY.

5           MR. PETERS: THE TIME NEXT WEEK?

6           THE COURT: FRIDAY? WHAT DO YOU WANT TO DO?

7           THE CLERK: THURSDAY, AUGUST -- THURSDAY, AUGUST 29TH  
8           AT 11:00 A.M.

9           MR. FOSTER: I SERVE AT THE COURT'S PLEASURE. IT IS  
10          MY BIRTHDAY THAT DAY, SO --

11          THE COURT: YOUR BIRTHDAY?

12          MR. FOSTER: YES.

13          MR. PETERS: WHAT A WONDERFUL DAY TO BE HERE IN  
14          SAN FRANCISCO. YOUR PARENTS ARE IN BERKELEY. THEY'LL BE  
15          HAPPY.

16          THE COURT: WHAT A WONDERFUL WAY TO SPEND A BIRTHDAY.  
17          IF YOU WANT TO APPEAR BY ZOOM, YOU CAN. AND ALSO, YOU  
18          HAVE VERY, VERY COMPETENT LOCAL -- YOU KNOW, YOUR -- THE LOCAL  
19          U.S. ATTORNEY'S OFFICE.

20          MR. FOSTER: OF COURSE, YOUR HONOR.

21          THE COURT: THEY ARE HIGHLY COMPETENT, AND SHE CAN  
22          APPEAR AS WELL.

23          SO YOU WORK OUT HOW YOU WANT TO DO IT.

24          MR. FOSTER: SURE.

25          THE COURT: I DON'T -- I TAKE NO INFERENCE BY -- IF

1 YOU'RE NOT HERE, THAT DOESN'T MEAN YOU'RE NOT AS INTERESTED IN  
2 IT AS YOU WOULD BE IF YOU WERE HERE. SO THOSE THINGS DON'T --  
3 LAWYERS ARE VERY, VERY BUSY. LAWYERS OUGHT TO HAVE A LIFE  
4 INDEPENDENT OF BEING A LAWYER.

5 MR. PETERS: THAT'S A WONDERFUL ASPIRATION, YOUR  
6 HONOR. I'VE BEEN WORKING ON IT NOW FOR ABOUT, ALMOST 40 YEARS.  
7 LET ME SEE IF I CAN GET THERE.

8 THE COURT: TOO ASPIRATIONAL.

9 MR. PETERS: WHAT WE WILL DO, YOUR HONOR, IS IF WE  
10 CAN COME UP WITH AN ARRANGEMENT THAT WE THINK MAY MEET WITH  
11 YOUR HONOR'S APPROVAL, I THINK WE'LL SUBMIT A PROPOSED ORDER,  
12 WITH A COPY TO THE GOVERNMENT, AND THEY'LL PROBABLY OBJECT AND  
13 THEN WE'LL COME BEFORE YOUR HONOR TO DISCUSS IT.

14 BUT IT'S LIKELY TO INVOLVE THE KIND OF MONITORING THAT WE  
15 DISCUSSED IF WE CAN GET THAT IN PLACE FROM A REPUTABLE,  
16 INDEPENDENT COMPANY.

17 THE COURT: WELL, MONITORING IS ONE THING, AND THE  
18 OTHER THING IS ACCESS TO FUNDS, ACCESS TO FUNDS. FUNDS.  
19 MONEY. MONEY.

20 MR. PETERS: WELL --

21 THE COURT: BECAUSE THE, THE FUNDS PRESENT A REAL  
22 PROBLEM IN THE COURT'S VIEW.

23 MR. PETERS: IN YOUR MIND -- IN THE --

24 THE COURT: OF COURSE I DID -- YOU CAN SAY WITH  
25 DR. LYNCH, OF COURSE, HE HAD UNLIMITED FUNDS.

1 BUT, AGAIN, THE DIFFERENCE BEING, BETWEEN THE TWO, IS THAT  
2 IF THE FUNDS WERE AVAILABLE TO HER -- IF I'M CONVINCED THAT  
3 THEY COULD BE AVAILABLE TO HER IN CHINA AND THERE IS NO  
4 EXTRADITION TREATY AND THAT'S WHERE SHE WOULD FLEE TO, THAT  
5 PRESENTS AN ISSUE DIFFERENT FROM DR. LYNCH'S, AND THAT AS WELL  
6 HAS TO BE ADDRESSED, TO THE EXTENT IT CAN BE.

7 MR. PETERS: BUT, YOUR HONOR, I -- NO, IT'S HELPFUL  
8 TO HEAR THE COURT'S CONCERNS, BECAUSE IF SHE HAS 24 HOUR, 7 DAY  
9 A WEEK GUARD, AND AN ANKLE BRACELET ON, AND BAIL CONDITIONS AND  
10 MONEY POSTED, SHE WOULD HAVE TO -- AND NO PASSPORT, SHE WOULD  
11 HAVE TO SHAKE THE GUARD, CUT OFF THE ANKLE BRACELET, AND  
12 SOMEHOW GET HERSELF TO CHINA.

13 THE COURT: WELL, PUT IT ALL TOGETHER IN A WAY THAT  
14 YOU THINK IS BEST.

15 MR. PETERS: OKAY.

16 THE COURT: I'VE IDENTIFIED TWO SETS OF CONCERNS THAT  
17 I HAVE.

18 MR. PETERS: DO YOU HAVE OTHER CONCERNS THAT WE NEED  
19 TO ADDRESS? I APPRECIATE YOUR HONOR TELLING US YOUR CONCERNS,  
20 BECAUSE WE HAVE TO ADDRESS THEM.

21 THE COURT: OKAY.

22 MR. PETERS: ARE THERE OTHERS? OR IS THAT --

23 THE COURT: I MEAN, MAYBE THERE SHOULD BE SOME  
24 EXPLANATION OF WHY SHE'S DELETING ALL THIS INFORMATION.

25 MR. PETERS: WELL, I MEAN --

1 THE COURT: WHY SHE DELETES ALL THIS INFORMATION.  
2 BECAUSE -- AND WHY SHE IS SEEKING INFORMATION ABOUT  
3 EXTRADITION.

4 I MEAN, THOSE ARE THINGS THAT ARE TROUBLESOME.

5 MR. PETERS: RIGHT. YOU'VE SHARED THOSE. WE'VE  
6 DISCUSSED THOSE, YEAH.

7 THE COURT: OKAY.

8 MR. FOSTER: THANK YOU, YOUR HONOR.

9 THE COURT: OKAY.

10 MR. PETERS: WE'LL SEE YOU NEXT WEEK.

11 THE COURT: I GUESS SO.

12 MR. PETERS: THANK YOU VERY MUCH, YOUR HONOR. HAVE A  
13 GOOD WEEKEND.

14 THE COURT: THANK YOU.

15 THE CLERK: THAT CONCLUDES THE CALENDAR. THANK YOU.

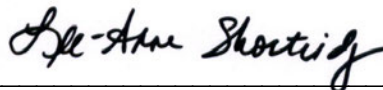
16 (THE PROCEEDINGS WERE CONCLUDED AT 12:04 P.M.)  
17  
18  
19  
20  
21  
22  
23  
24  
25



CERTIFICATE OF REPORTER

I, THE UNDERSIGNED OFFICIAL COURT REPORTER OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA, 280 SOUTH FIRST STREET, SAN JOSE, CALIFORNIA, DO HEREBY CERTIFY:

THAT THE FOREGOING TRANSCRIPT, CERTIFICATE INCLUSIVE, IS A CORRECT TRANSCRIPT FROM THE RECORD OF PROCEEDINGS IN THE ABOVE-ENTITLED MATTER.



LEE-ANNE SHORTRIDGE, CSR, CRR  
CERTIFICATE NUMBER 9595

DATED: AUGUST 25, 2024

# Exhibit 41

存案 Filed

公司編號 CR No.  
3281340公司註冊處  
Companies Registry法團成立表格  
(股份有限公司)  
**Incorporation Form**  
(Company Limited by Shares)表格  
Form**NNC1****1 建議採用的公司名稱 Proposed Company Name**建議採用的公司英文名稱 **Proposed English Company Name**

Makebelieve Asia Consultancy Limited

建議採用的公司中文名稱 **Proposed Chinese Company Name**

香港美克國際諮詢服務有限公司

**2 公司類別 Type of Company**

請在適用的空格內加上 ✓ 號 Please tick the relevant box



私人 Private



公眾 Public

**3 公司在香港的註冊辦事處的建議地址****Proposed Address of the Company's Registered Office in Hong Kong**

UNIT B, 13/F

SHING LEE COMMERCIAL BUILDING

No.8 WING KUT STREET CENTRAL

Hong Kong

(本處不接納「轉交」地址或郵政信箱號碼 'Care of' addresses or post office box numbers are not acceptable)

**4 電郵地址 Email Address**本處專用 **For Official Use**

Document Ref. No.:

Submission Date:22/05/2023

Resubmission Date:



表格  
Form **NNC1**

**5 公司組成時的股本及最初的股份持有情況**  
**Share Capital and Initial Shareholdings on the Company's Formation**

股份的類別 (如普通股／優先股等) Class of Shares (e.g. Ordinary / Preference etc.)	建議發行的 股份總數 Total Number of Shares Proposed to be Issued	貨幣 Currency	創辦成員認購的 股本總額 Total Amount of Share Capital to be Subscribed by Founder Members  (a)	建議發行的股份的 將要繳付或視為 已繳付的總款額 Total Amount to be Paid Up or to be Regarded as Paid Up on the Shares Proposed to be Issued  (b)	建議發行的股份的 尚未繳付或視為 尚未繳付的總款額 Total Amount to Remain Unpaid or to be Regarded as Unpaid on the Shares Proposed to be Issued  (a) – (b)
Ordinary	10,000	HKD	10,000	10,000	0
總值 Total	10,000	HKD	10,000	10,000	0

**5A 股份所附帶的權利的詳情 Particulars of Rights Attached to Shares**  
(只適用於發行超過一類股份的公司 Only applicable to company issuing more than 1 class of shares)

股份的類別 (如普通股／ 優先股等) Class of Shares (e.g. Ordinary / Preference etc.)	附帶的權利的詳情 (包括表決權；在分派股息時參與該項分派的權利； 在分派股本時參與該項分派的權利；該類別股份是否屬可贖回股份等) Particulars of Rights Attached (Including voting rights; rights to participate in a distribution as respects dividends; rights to participate in a distribution as respects capital; whether the shares are redeemable etc.)

表格 Form **NNC1**

6 創辦成員 **Founder Members**

1 中文姓名／名稱  
**Name in Chinese**

朱繹穎

英文姓名／名稱  
**Name in English**

Z Y

地址  
**Address**

國家／地區  
**Country／Region**

China

認購的股本  
**Share Capital to be Subscribed**

股份的類別 (如普通股／優先股等) Class of Shares (e.g. Ordinary／Preference etc.)	建議向該成員發行的股份數目 Shares Proposed to be Issued to the Member		
	總數 Total Number	貨幣 Currency	總款額 Total Amount
Ordinary	10,000	HKD	10,000
總值 <b>Total</b>	10,000	HKD	10,000

2 中文姓名／名稱  
**Name in Chinese**

英文姓名／名稱  
**Name in English**

地址  
**Address**

國家／地區  
**Country／Region**

認購的股本  
**Share Capital to be Subscribed**

股份的類別 (如普通股／優先股等) Class of Shares (e.g. Ordinary／Preference etc.)	建議向該成員發行的股份數目 Shares Proposed to be Issued to the Member		
	總數 Total Number	貨幣 Currency	總款額 Total Amount
總值 <b>Total</b>			

表格  
Form **NNC1**

7 首任公司秘書 **First Company Secretary**

A. 公司秘書(自然人) **Company Secretary (Natural Person)**

1 中文姓名 Name in Chinese		
英文姓名 Name In English		
姓氏 Surname		
名字 Other Names		
前用姓名 Previous Names		
	中文 Chinese	英文 English
別名 Alias		
	中文 Chinese	英文 English
香港通訊地址 Hong Kong Correspondence Address		
	Hong Kong	
	(本處不接納郵政信箱號碼 Post office box numbers are not acceptable)	
電郵地址 Email Address		

(須在  
PI-NNC1 頁  
填報完整  
身分識別號碼  
Provide full  
identification  
number in  
PI-NNC1 sheet)

身分識別 Identification		
(a) 香港身分證部分號碼 Partial Number of Hong Kong Identity Card	***(*)	
(b) 護照 Passport		
	簽發國家／地區 Issuing Country／Region	部分號碼 Partial Number

B. 公司秘書(法人團體) **Company Secretary (Body Corporate)**

1 中文名稱 Name in Chinese	創易會計事務有限公司	
英文名稱 Name in English	ECB Accounting Services Limited	
香港地址 Hong Kong Address	UNIT B, 13/F	
	SHING LEE COMMERCIAL BUILDING	
	No.8 WING KUT STREET CENTRAL	
	Hong Kong	
	(本處不接納「轉交」地址或郵政信箱號碼 'Care of' addresses or post office box numbers are not acceptable)	
電郵地址 Email Address		
公司編號 Company Number		

表格  
Form **NNC1**

**8 首任董事 First Directors**

**A. 董事(自然人) Director (Natural Person)**

**1 中文姓名 Name in Chinese** 朱繹穎

英文姓名 **Name in English**

姓氏 Surname Z

名字 Other Names Y

前用姓名 Previous Names

中文 Chinese	英文 English
------------	------------

別名 Alias

中文 Chinese	英文 English
------------	------------

(須在 PI-NNC1 頁填報董事通常住址 Provide director's usual residential address in PI-NNC1 sheet)

通訊地址 Correspondence Address

國家／地區 Country／Region China

(本處不接納郵政信箱號碼 Post office box numbers are not acceptable)

電郵地址 Email Address

(須在 PI-NNC1 頁填報完整身分識別號碼 Provide full identification number in PI-NNC1 sheet)

身分識別 Identification

(a) 香港身分證部分號碼 Partial Number of Hong Kong Identity Card \*\*\*(\*)

(b) 護照 Passport

簽發國家／地區 Issuing Country／Region	部分號碼 Partial Number
China	310102199

**提示 Advisory Note**

所有公司董事均應閱讀公司註冊處編製的《董事責任指引》，並熟悉該指引所概述的董事一般責任。  
**All directors of the company are advised to read 'A Guide on Directors' Duties' published by the Companies Registry and acquaint themselves with the general duties of directors outlined in the Guide.**

出任董事職位同意書 **Consent to Act as Director**

請在適用的空格內加上 ✓ 號 Please tick the relevant box

☒ 本人同意在公司成立為法團時擔任其董事，並確認本人已年滿 18 歲。  
**I consent to be a director of the company on its incorporation and confirm that I have attained the age of 18 years.**

簽署 Signed :  Signed by PIN

☐ 出任董事職位同意書會於公司成立為法團的日期後 15 日內交付登記。  
**The Consent to Act as Director will be delivered for registration not later than 15 days after the date of incorporation of the company.**



# 表格 Form NNC1

## 8 首任董事 First Directors (續上頁 cont'd)

### B. 董事(法人團體) Director (Body Corporate)

1 中文名稱  
Name in Chinese

英文名稱  
Name in English

地址  
Address




國家／地區  
Country／Region

(本處不接納「轉交」地址或郵政信箱號碼 'Care of' addresses or post office box numbers are not acceptable)

電郵地址  
Email Address

公司編號 Company Number

(只適用於在香港註冊的法人團體 Only applicable to body corporate registered in Hong Kong)

#### 提示 Advisory Note

所有公司董事均應閱讀公司註冊處編製的《董事責任指引》，並熟悉該指引所概述的董事一般責任。  
**All directors of the company are advised to read 'A Guide on Directors' Duties' published by the Companies Registry and acquaint themselves with the general duties of directors outlined in the Guide.**

#### 出任董事職位同意書 Consent to Act as Director

請在適用的空格內加上 ✓ 號 Please tick the relevant box

☐

本人獲上述法人團體授權確認上述法人團體同意在公司成立為法團時擔任其董事。

**I, being authorized by the above body corporate, confirm that the body corporate consents to be a director of this company on its incorporation.**

簽署 Signed : \_\_\_\_\_

☐

出任董事職位同意書會於公司成立為法團的日期後 15 日內交付登記。

**The Consent to Act as Director will be delivered for registration not later than 15 days after the date of incorporation of the company.**



# 表格 Form **NNC1**

## 9 創辦成員陳述書 Statement of Founder Member

本人現核證 I certify that :

- (a) 本人為公司的創辦成員或獲其授權人士(如創辦成員為法人團體)並獲其他創辦成員(如有的話)授權簽署本表格。  
**I am a founder member of this company or an authorized person of a founder member, which is a body corporate (if applicable) and am authorized by the other founder members (if any) to sign this incorporation form.**
- (b) 名列本表格內的每一名屬自然人的公司秘書通常居於香港。  
**Each of the company secretaries named in this form who is a natural person ordinarily resides in Hong Kong.**
- (c) 名列本表格內但未簽署「出任董事職位同意書」的每一名董事已同意在公司成立為法團時擔任其董事，每一名屬自然人的董事並且已年滿 18 歲。  
**Each of the directors named in this form who has not signed the 'Consent to Act as Director' has consented to be a director of this company on its incorporation and each director who is a natural person has attained the age of 18 years.**
- (d) 所有創辦成員已為《公司條例》第 67(1)(a) 條的目的而簽署公司的章程細則，並確認連同本表格交付的公司章程細則的文本的內容，與由所有創辦成員簽署的該等章程細則的內容相同。  
**The company's articles have been signed by all founder members for the purposes of section 67(1)(a) of the Companies Ordinance. The contents of the copy of the company's articles delivered together with this form are the same as those of the articles signed by all founder members.**
- (e) 本表格所載的資料、陳述及詳情均屬準確，並與公司的章程細則內的資料、陳述及詳情相符。  
**The information, statements and particulars contained in this form are accurate and consistent with those contained in the company's articles.**
- (f) 公司已遵守《公司條例》中就有關公司註冊的所有規定。  
**All the requirements of the Companies Ordinance in respect of the registration of the company have been complied with.**

本表格包括的 **PI-NNC1** 頁的數目  
**Number of PI-NNC1 Sheet(s) included in this Form**  
 (PI-NNC1 頁不會供公眾查閱 PI-NNC1 Sheet is **NOT** for Public Inspection)

1

簽署 Signed: 

Signed by PIN

姓名 Name : Z  Y 

日期 Date :   
 日 DD / 月 MM / 年 YYYY

創辦成員 Founder Member

# Exhibit 42

**From:** Elliot Peters [REDACTED] >  
**Sent:** Saturday, August 24, 2024 1:11 PM  
**To:** Foster, Jacob (CRM) <[REDACTED]>; Green, Kristina (USACAN) <[REDACTED]>;  
Lloyd-Lovett, Katherine (USACAN) <[REDACTED]>  
**Cc:** Nic Marais [REDACTED] >; Cody Gray [REDACTED] >  
**Subject:** [EXTERNAL] Bail

Hello Jacob, Kristina, Katie,

Jacob, we hope you made it safely back home to DC. It is actually way nicer in the East Bay (although foggy today.)

Having listened to the Court's comments yesterday it seems clear that we will have to do a lot to get Ruthia out on bail, but also that Judge Breyer will ultimately release her if we can address his concerns with an appropriate combination of bail conditions. I am hoping that we can work together to try and vet conditions and terms to make that possible without lots more friction or adversarial proceedings. This message is written in that spirit.

In addition to the terms that we have already proposed in the Order we submitted last week, we propose to add the following:

1. 24/7 guard, from a reputable company. We will get you a fairly detailed proposal Monday or asap. We would follow the Lynch protocol on this term.
2. A mechanism at DONE to provide comfort that all cash transfers are for legitimate and actual business purposes and not to create a fund that could facilitate flight. We are thinking about proposing to Company counsel and management in this regard that all cash is maintained in an account from which all disbursements can only occur after approval by a trusted third party monitor, who would be a former IRS or FBI agent (or the like) who has no prior relationship to Ruthia. That would negate any access by Ruthia to the company's cash
3. That we satisfy you or the Court with evidence (either documents or testimony) that the MakeBelieve transfers were for legitimate expenses and did not in any fashion create a fund to facilitate flight by Ruthia. Please consider what evidence would satisfy you in the first instance in this regard. We believe what I said in Court, that the money was used for legitimate corporate expenses.
4. (Addressing Jacob's comments on the phone to us last Thursday). That upon release, Ruthia not have access to any encrypted applications, so that she could not communicate furtively with persons. She could still use the internet, communicate with counsel, family, friends, etc.

We believe that this addresses all of the Court's concerns, and we presently intend (subject to modification) to prosper these terms to Judge Breyer next week. Would this be acceptable to the Government? If not, what other terms would you require?

Thank you for your consideration of these matters. Apologies for reaching out on a Saturday.

Best,

Elliot

# Exhibit 43

## Under Seal

# Exhibit 44

**From:** [REDACTED]  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** [EXTERNAL] FW: Resignation from Board  
**Date:** Monday, August 26, 2024 7:42:47 PM  
**Attachments:** [image001.png](#)

---

[REDACTED]

FYI. The below email announcing S [REDACTED] C [REDACTED] resignation from the Done Global board was sent to Ms. He this afternoon via her attorney, V [REDACTED] C [REDACTED]

T [REDACTED]

T [REDACTED] P. C [REDACTED]  
Shareholder

Greenberg Traurig, LLP  
1840 Century Park East | Suite 1900 | Los Angeles, CA 90067-2121  
T +1 310.586.7827 | F +1 310.586.7800 | C +1 213.241.9645  
I [REDACTED] C [REDACTED] | [REDACTED] | [View GT Biography](#)



---

**From:** s [REDACTED] c [REDACTED] [REDACTED] >  
**Sent:** Monday, August 26, 2024 3:33 PM  
**To:** V [REDACTED] C [REDACTED] [REDACTED] >; Ruthia He [REDACTED]  
**Cc:** C [REDACTED], T [REDACTED] (Shld-LA-LT) [REDACTED] >  
**Subject:** Resignation from Board

**\*EXTERNAL TO GT\***

Dear Ms. He (c/o V [REDACTED] C [REDACTED]),

It is with a heavy heart that I send this letter to you. Unfortunately, I hereby resign my position as a member of the board of Done Global. As you know, since learning of the allegations against the company, I have attempted to take steps which I believed were not only in Done's best interests, but were imperative if I were to continue advising the board.

Through counsel, I have made several attempts to have my proposals considered and accepted by Done, yet apart from being asked to wait for an indefinite period of time, I have received virtually no response and no communication from the company's leaders. While it is not clear to me if the silence is simply due to the unfortunate circumstances of my fellow board member or an unwillingness on the part of the company to follow my recommendations, I cannot wait any longer to be

heard on this matter.

I am saddened that the circumstances have led to this outcome. Please know that I wish you and Done success in the future.

Sincerely,

S [REDACTED] C [REDACTED]

---

If you are not an intended recipient of confidential and privileged information in this email, please delete it, notify us immediately at [REDACTED], and do not use or disseminate the information.



# Exhibit 45

Name	Start Date	Type	Location	Title
N [REDACTED] M [REDACTED]	4/13/2020	Full-time Employee	San Francisco, CA	Group Leader   Patient Care
Ruthia He	5/9/2020	Full-time Employee	San Francisco, CA	Founder
E [REDACTED] M [REDACTED] R [REDACTED]	5/24/2021	Full-time Employee	Brookhaven, GA	Associate   Provider Success
W [REDACTED] [REDACTED] A [REDACTED]	7/6/2021	Full-time Employee	Irvine, CA	Associate   Paid Marketing
David Brody	7/13/2021	Full-time Employee	San Rafael, CA	Group Leader   Clinical President
S [REDACTED] [REDACTED] N [REDACTED]	7/26/2021	Full-time Employee	Venus, TX	Lead NP
L [REDACTED] [REDACTED] H [REDACTED]	8/18/2021	Full-time Employee	Baltimore, MD	Provider Relationship Manager
C [REDACTED] C [REDACTED]	9/7/2021	Full-time Employee	Livingston, NJ	Associate   Provider Recruiter
E [REDACTED] J [REDACTED] W [REDACTED]	1/10/2022	Full-time Employee	Oswego, NY	Associate   Provider Success
H [REDACTED] J [REDACTED] J [REDACTED] ( [REDACTED] )	2/28/2022	Full-time Employee	Remote	Software Engineer
S [REDACTED] [REDACTED] M [REDACTED] Da [REDACTED]	2/28/2022	Full-time Employee	Chandler, AZ	Associate   Program Management
L [REDACTED] E [REDACTED] S [REDACTED]	3/14/2022	Full-time Employee	Seattle, WA	Provider Relationship Manager
M [REDACTED] C [REDACTED]	3/17/2022	Full-time Employee	San Francisco, CA	Executive Leader   Finance & Strategy
S [REDACTED] L [REDACTED]	9/12/2022	Full-time Employee	Logan, UT	Executive Assistant
L [REDACTED] M [REDACTED]	10/3/2022	Full-time Employee	San Juan	Product Manager
R [REDACTED] W [REDACTED] C [REDACTED]	10/3/2022	Full-time Employee	Upland, CA	Engineering - Design
T [REDACTED] Gr [REDACTED]	10/17/2022	Full-time Employee	New York City, NY	Head of Payor Product
K [REDACTED] J [REDACTED]	12/5/2022	Full-time Employee	Staunton, VA	Lead NP
[REDACTED] L [REDACTED] [REDACTED]	44949	Full-time Employee	Seattle, WA	PMHNP
[REDACTED] R [REDACTED] T [REDACTED]	2/20/2023	Full-time Employee	Venus Texas	PMHNP
S [REDACTED] A [REDACTED]	2/27/2023	Full-time Employee	Lake Frederick, VA	Senior Executive Leader
S [REDACTED] Ha [REDACTED]	3/1/2023	Full-time Employee	Bedford, VA	Clinical Recruiter
S [REDACTED] D [REDACTED]	3/13/2023	Full-time Employee	Bethlehem, PA	Medical Director
A [REDACTED] G [REDACTED]	3/6/2023	Full-time Employee	Sanford FL	Senior Recruiter
S [REDACTED] S [REDACTED]	3/13/2023	Full-time Employee	El Portal FL	Head of Market Ops
A [REDACTED] L [REDACTED]	3/1/2023	Full-time Employee	Wolverine Lake, MI	PMHNP
K [REDACTED] L [REDACTED]	3/1/2023	Full-time Employee	Maiden, North Carolina	PMHNP
E [REDACTED] U [REDACTED]	2/21/2023	Full-time Employee	Miami, FL	PMHNP

Name	Start Date	Type	Location	Title
J [REDACTED] L [REDACTED]	7/28/2020	Independent Contractor (FT)	Sichuan	Software Engineer
J [REDACTED] F [REDACTED]	11/1/2020	Independent Contractor (FT)	Diamond Village Salav	Care Manager
M [REDACTED] X [REDACTED]	12/14/2020	Independent Contractor (FT)	Ontario	Team Leader   Engineering
F [REDACTED] C [REDACTED]	2/1/2021	Independent Contractor (FT)	Alberta	Care Team Lead
F [REDACTED] C [REDACTED] C [REDACTED]	2/21/2021	Independent Contractor (FT)	San Francisco, CA	Associate   Patient Care
H [REDACTED] S [REDACTED]	3/5/2021	Independent Contractor (FT)	Canyon, CA	Care Team Lead
A [REDACTED] R [REDACTED]	5/19/2021	Independent Contractor (FT)	Manila	Care Manager
M [REDACTED] J [REDACTED] M [REDACTED]	8/16/2021	Independent Contractor (FT)	Jersey City, NJ	Associate   Marketing
E [REDACTED] E [REDACTED] E [REDACTED]	8/30/2021	Independent Contractor (FT)	Karachi, Sindh	Associate   Business Operations
S [REDACTED] F [REDACTED]	9/1/2021	Independent Contractor (FT)	Wenzhou	Software Engineer
A [REDACTED] A [REDACTED]	10/18/2021	Independent Contractor (FT)	İstanbul	Scheduling Associate
E [REDACTED] L [REDACTED]	12/22/2021	Independent Contractor (FT)	Navarre, FL	Associate   Marketing
J [REDACTED] [REDACTED] D [REDACTED]	1/10/2022	Independent Contractor (FT)	Monte Sereno, CA	Group Leader   Brand & Marketin
X [REDACTED] Y [REDACTED]	2/28/2022	Independent Contractor (FT)	Hangzhou	Software Engineer
D [REDACTED] G [REDACTED] [REDACTED]	2/28/2022	Independent Contractor (FT)	Santo Domingo	Scheduling Associate
C [REDACTED] R [REDACTED]	3/29/2022	Independent Contractor (FT)	Stone Mountain, GA	Care Team Lead
Y [REDACTED] W [REDACTED]	4/11/2022	Independent Contractor (FT)	Beijing	Project Manager
A [REDACTED]	6/18/2022	Independent Contractor (FT)	Shenzen	Growth Manager
J [REDACTED] L [REDACTED]	6/30/2022	Independent Contractor (FT)	Shanghai	Project Manager
W [REDACTED] C [REDACTED]	7/18/2022	Independent Contractor (FT)	Kitchener	Project Manager
J [REDACTED] R [REDACTED]	7/30/2022	Independent Contractor (FT)		Care Manager
A [REDACTED] y K [REDACTED]	8/17/2022	Independent Contractor (FT)	Alberta	Biz Ops Manager
H [REDACTED] Y [REDACTED]	8/28/2022	Independent Contractor (FT)	Shanghai	Project Manager
A [REDACTED] [REDACTED] W [REDACTED]	9/5/2022	Independent Contractor (FT)	Shanghai	Growth Manager
W [REDACTED] W [REDACTED]	9/12/2022	Independent Contractor (FT)	Austin, TX	Product Designer
K [REDACTED] Z [REDACTED]	9/26/2022	Independent Contractor (FT)	Hangzhou	Product Manager
Y [REDACTED] Z [REDACTED]	9/29/2022	Independent Contractor (FT)	Beijing	Growth Manager
C [REDACTED] S [REDACTED]		Independent Contractor (FT)		Clinical Recruiter
L [REDACTED] Y [REDACTED]	11/22/2022	Independent Contractor (FT)	Chengdu	Project Manager
N [REDACTED] [REDACTED] T [REDACTED]	11/24/2022	Independent Contractor (FT)	Chengdu	Operations Assistant
R [REDACTED] M [REDACTED]	12/15/2022	Independent Contractor (FT)		Nurse Practitioner

M ■ A ■	1/16/2023	Independent Contractor (FT)	Chicago, IL	Operations Manager
A ■ M ■	1/25/2023	Independent Contractor (FT)	San Francisco, CA	Ops Consultant
Y ■ ■ ■ Z ■	2/1/2023	Independent Contractor (FT)	Shanghai	Ops Project Manager
■ C ■ L ■	2/1/2023	Independent Contractor (FT)	Gainesville, FL	Medical Director
S ■ Y ■	2/13/2023	Independent Contractor (FT)	Hangzhou	Operations Assistant
K ■ K ■	2/20/2023	Independent Contractor (FT)		Care Coordinator
R ■ G ■	2/27/2023	Independent Contractor (FT)	Beijing	Legal Consultant
M ■ Z ■	2/27/2023	Independent Contractor (FT)	Mountain View, CA	Software Engineer
Z ■ H ■	3/1/2023	Independent Contractor (FT)	Shanghai	Software Engineer
W ■ J ■	3/13/2023	Independent Contractor (FT)	Shanghai	QA engineer
J ■ E ■	3/28/2023	Independent Contractor (FT)		Fractional CISO
N ■ L ■	4/3/2023	Independent Contractor (FT)	San Francisco	Growth Consultant
F ■ ■ ■ Y ■	12/15/2020	Independent Contractor (PT)	Chunhua, Fujian	Software Engineer (Hourly)
H ■ L ■	11/7/2022	Independent Contractor (PT)	San Francisco	Operations consultant
N ■ M ■	1/16/2023	Independent Contractor (PT)	Houston, TX	HR Consultant
W ■ W ■		Independent Contractor (PT)	Shanghai	Project Manager
M ■ R ■	3/1/2023	Independent Contractor (PT)	St Clermont FL	PMHNP



# Exhibit 46

PCQS ELIS Details

Role Petitioner — Category Petition for a Nonimmigrant Worker:H-1B Classification — Description IOE8194709947: Single-Applicant Case  
Activity Date 02/26/2024 — Result Approved — Result Date 03/01/2024

Actions ▾

Petitioner Header

Name DONE GLOBAL INC,  
Alien Number  
Account ID  
I-94 Number  
Naturalization Number  
Naturalization Date  
Certificate Type  
Certificate Status  
Date of Birth  
Country of Birth  
Place of Birth  
Gender  
Case ID   
Case State Closed  
Case Status Approved  
Case Sub Status Closed - Approved  
USCIS Office CALIFORNIA SERVICE CENTER

Petitioner Details

Daytime Phone ()  
Mobile Phone  
Email   
Email Address Type Other  
Source Reference EXTERNAL  
Mailing Address   
Physical Address   
In Care of Name  
Address 1 Date From  
Address 1 Date To  
Interpreter  
Preparer's Business or Organization Name

Petitioner Biographics

Date of Birth  
Country of Birth  
Country of Citizenship / Nationality Unknown  
Gender  
Marital Status  
Height  
Weight  
Race/Ethnicity /  
Eye Color  
Hair Color  
Father's Given Name  
Mother's Given Name

Case Details

Case ID   
Form Number I-129H1B - Petition for a Nonimmigrant Worker:H-1B Classification  
Receipt Number IOE8194709947  
Receipt Date - ELIS 02-26-2024  
Receipt Date - Lockbox 02-26-2024  
Case Status Approved  
Case Status Date 03-01-2024  
Case Eligibility  
Basis of Eligibility New employment  
Section of Law  
Case State Closed  
Case State Date 02-26-2024  
Card Issue Date  
Card Expiration Date  
Card Serial Number  
Name on Card  
Name Legally Changed  
IV Issued Date  
Social Security Number  
Class of Admission H1B  
Date of Admission 10-18-2023  
Application Type Petition for a Nonimmigrant Worker:H-1B Classification  
Reason for Application New employment  
Port of Entry  
Admission Port of Entry  
Applied for at  
Received at  
Destination at Time of Admission  
Ordered Removed from U.S.  
Filed I-407/ Has Abandoned  
Requesting Accommodation false  
Preparer's Name

Preparer's Mailing Address

Filing Fee460

Biometric Fee

PCQS ELIS Details

Reference ReasonCategoryPetition for a Nonimmigrant Worker:H-1B Classification — DescriptionIOE8194709947: Single-Applicant Case

Assigned DateActivity Date02/26/2024 — ResultApproved — Result Date03/01/2024

Assigned To

Case Account Role

Owner

Current USCIS LocationCALIFORNIA SERVICE CENTER

Deposit Receipt

External Financial SystemIOE8194709947

Fee TypeForm Fee

Payment Amount460

Payment Date02-27-2024

Payment MethodN/A

Payment ProcessorOTCNET

Payment StatusSettled

Document Subcategory

Document Title

Document Mailing Preferred Type

Intent Notices

Notices StatusPrint Success

Notices Source SystemELIS2

Notices Reissue Indicatorfalse

Notices Transaction ID3070246245

Document Status

Notices Action

Case Decision Notices

Other Notices

RFE Notices

Ten Print Image Presentfalse

Biometrics Transaction ID

Biometrics Capture Time

Signature Waiver

Employment End Date

I-94 Validity Date02-28-2027

Cap PetitionN

Representative Attorney Details

Rep TypeA

Last NameS

First NameN

Middle NameN

Firm NameLAW OFFICES OF NAN SHEN

Address TypeMailing Address

Street Address

City

State

ZIP Code

Postal Code

Province

CountryUnited States

Attorney State License #

USCIS Attorney #

Beneficiary

Last NameZ

First NameR

Middle NameN

Date of Birth

Country of BirthChina

Alien Number

Social Security Number

GenderFemale

Email

City

State

Postal Code

CountryUnited States

Attorney / In Care Of Information

Attorney Phone

Attorney Email

Attorney Fax

In Care OfR

In Care Of Phone

In Care Of Email

In Care Of Fax

Petitioner Contacts

Type	Sub Type	Primary	Value	Source Type	Start Date	End Date	Action
Email		true		EXTERNAL			Not Available
Daytime		true		EXTERNAL			Not Available

Petitioner Alien Numbers

Alien Number	Status	Parent Alien Number	Source Type	Start Date	End Date	Action
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Petitioner Names

UNCLASSIFIED — FOR OFFICIAL USE ONLY



Last Name	First Name	Middle Name	Source Type	Start Date	End Date	Action
Petitioner Dates of Birth						
<div>PCQS ELIS Details</div>						
Date of Birth	Role Petitioner — Category	Petition for a Nonimmigrant Worker (H-1B) Classification — Description	IOE8194709947: Single Applicant Case	Source Type		
	Activity Date	02/26/2024 — Result Approved — Result Date	03/01/2024			
Case Benefit Card Details						
Document ID	Card Type	Card Status	Date Requested	Date Issued		Action
Case Appointments						
Appointment Time	Reservation Identifier		Appointment Type	Appointment Status		Location
Case Activity History						
Date	Action		State	Status	Sub Status	
03-01-2024	VIBE Check Updated		Closed	Approved	Closed - Approved	
03-01-2024	Case Review Completed		Closed	Approved	Closed - Approved	
03-01-2024	Case Data Sent to ADIS		Closed	Approved	Closed - Approved	
03-01-2024	Approval Notice Sent		Accepted	In Process	Rendering Decision	
03-01-2024	Premium Processing Clock Stopped		Accepted	In Process	Rendering Decision	
03-01-2024	Approval Email Sent		Accepted	In Process	Rendering Decision	
03-01-2024	Awaiting Decision Notice for Approval		Accepted	In Process	Rendering Decision	
03-01-2024	Approval Case Decision Rendered		Accepted	In Process	Rendering Decision	
03-01-2024	Supervisor Review Deselected		Accepted	In Process	Case Review	
03-01-2024	AC21 Eligibility does not apply		Accepted	In Process	Case Review	
02-29-2024	Beneficiary Name Added		Accepted	In Process	Case Review	
02-29-2024	Beneficiary Name Added		Accepted	In Process	Case Review	
02-29-2024	Task Ownership Changed		Accepted	In Process	Case Review	
02-28-2024	Payment Settlement Status Received		Accepted	In Process	Ready for Case Review	
02-28-2024	Payment Settlement Status Received		Accepted	In Process	Ready for Case Review	
02-28-2024	Payment Settlement Status Received		Accepted	In Process	Ready for Case Review	
02-28-2024	Payment Settlement Status Received		Accepted	In Process	Ready for Case Review	
02-28-2024	Payment Settlement Status Received		Accepted	In Process	Ready for Case Review	
02-28-2024	Payment Settlement Status Received		Accepted	In Process	Ready for Case Review	
02-28-2024	Payment Settlement Status Received		Accepted	In Process	Ready for Case Review	
02-28-2024	Payment Settlement Status Received		Accepted	In Process	Ready for Case Review	
02-28-2024	Payment Settlement Status Received		Accepted	In Process	Ready for Case Review	
02-28-2024	Payment Settlement Status Received		Accepted	In Process	Ready for Case Review	
02-28-2024	Payment Settlement Status Received		Accepted	In Process	Ready for Case Review	
02-28-2024	Payment Settlement Status Received		Accepted	In Process	Ready for Case Review	
02-27-2024	Ad Hoc Risk and Fraud Initiated		Accepted	In Process	Ready for Case Review	
02-27-2024	Restricted Content Uploaded		Accepted	In Process	Ready for Case Review	
02-27-2024	Document Uploaded to Case		Accepted	In Process	Ready for Case Review	
02-26-2024	Risk and Fraud Backend Check Initiated		Accepted	In Process	Ready for Case Review	
02-26-2024	Manual Name Harvesting Bypassed		Accepted	In Process	Ready for Case Review	
02-26-2024	VIBE Check Initiated		Accepted	In Process	Resolving Preprocessing Checks	
02-26-2024	Receipt Notice Sent		Accepted	In Process	Resolving Preprocessing Checks	
02-26-2024	Receipt Notice Sent		Accepted	In Process	Resolving Preprocessing Checks	
02-26-2024	Risk and Fraud Check Initiated		Accepted	In Process	Resolving Preprocessing Checks	
02-26-2024	Email Receipt Sent		Accepted	In Process	In Process	
02-26-2024	Awaiting Payment Settlement		Accepted	In Process	In Process	
02-26-2024	Case Accepted		Accepted	In Process	In Process	
02-26-2024	Concurrently Filed Case Upgraded to Premium Processing		Accepted	In Process	In Process	
02-26-2024	Premium Processing Clock Started		Accepted	In Process	In Process	
02-26-2024	Response from MEA Sent		Accepted	In Process	In Process	
02-26-2024	Case Accepted		Accepted	In Process	In Process	
02-26-2024	Case Data Sent to ADIS					
02-26-2024	Underlying Petition Marked					
02-26-2024	Case was linked to Concurrent group					
Case Notes						
Date	Notes			User ID		
02-26-2024	Case linked to concurrent filing for premium processing.			NGUYEN, DUNG		
Case Decision History						
Previous Decision	Decision Date	User ID	Decision Reason Code			
Approved	03-01-2024	D S	Approved			
UNCLASSIFIED – FOR OFFICIAL USE ONLY						



Person Identity Documents

Document ID	Document Type	Date Issued	Country of Issuance	Document Expiration Date	Period Of Stay Expiration Date
PCQS ELIS Details					
844925224	Federal Employer Identification Number	Nonimmigrant Worker:H-1B Classification — Description IOE8194709947: Single-Applicant Case			
923130	NAICS Code	Activity Date 02/26/2024 — Result Approved — Result Date 03/01/2024			

Beneficiary Names

Last Name	First Name	Middle Name	Source Type	Start Date	End Date	Action
Z████	A████	N████	INTERNAL			Not Available
Z████	R████	N████	EXTERNAL			Not Available
R████	Z████	N████	INTERNAL			Not Available

# Exhibit 47

Exec Team	Roles	Full name	Title	Level	Location	Status	Monthly Salary	Annual Equivalen	Resume
APAC	Growth	A■■■■ W■■	Growth	1	Shang Hai	Full Time	\$5,000.00	\$60,000.00	
APAC	Growth	A■■	Growth	2	Shen Zhen	Full Time	\$3,000.00	\$36,000.00	
APAC	Growth	Y■■■■ Z■■	Project Manager	2	Beijing?	Full Time	\$5,000.00	\$60,000.00	
APAC	Project Management	J■■ U■■	Project Manager	2	Shang Hai	Full Time	\$5,916.67	\$71,000.00	
APAC	Project Management	W■■■■ C■■	Project Manager	1	Chengdu	Full Time	\$3,000.00	\$36,000.00	
APAC	Project Management	H■■■■ Y■■	Project Manager	1	Jiang Su?	Full Time	\$3,000.00	\$36,000.00	
APAC	Project management	N■■ T■■ W■■	Ops Assistant	1	Chengdu	Full Time	\$2,600.00	\$31,200.00	
APAC	Project management	L■■ G■■ Y■■	Project management	1	Chengdu	Full Time	\$2,750.00	\$33,000.00	
APAC	GM	Y■■ W■■	APAC Head	5	China	Full Time	\$10,000.00	\$120,000.00	
APAC	Engineering	X■■■■ Y■■	Software Engineer	1	Hang Zhou	Full Time	\$4,742.00	\$56,904.00	
APAC	Engineering	H■■ J■■ J■■ (H	Software Engineer	1	Hang Zhou	Full Time	\$4,742.00	\$56,904.00	
APAC	Engineering	J■■ U■■	Software Engineer	2	Chengdu	Full Time	\$5,333.00	\$63,996.00	
APAC	Engineering	R■■ (F■■■■)	Software Engineer	1	Fu Jian?	Part Time	\$3,146.00	\$37,752.00	
APAC	Engineering	S■■■■ F■■	Software Engineer	1	Wenzhou?	Full Time	\$5,750.00	\$69,000.00	
APAC	Engineering	M■■ X■■	Team Lead, Engineering	3	Canada	Full Time	\$5,798.42	\$69,581.00	
APAC	Project management	H■■■■ Z■■	Project Manager	2	Shanghai	Full Time	\$2,000.00	\$24,000.00	
Core	Legal	R■■	Legal	2	Beijing	Full Time	\$5,000.00	\$60,000.00	
							\$76,778.08		

Tier 1: Shanghai, Beijing 0.6  
 Teir 2: Hangzhou, Chengdu, Qingdao 0.5  
 Tier 3: Manila, Cebu 0.4

Sr. Executive Leader - Level 6

Executive Leader- Level 5

Group Leader - Level 4

Team Leader - Level 3

Senior Associate - Level 2

Associate - Level 1

Done Levels

# Exhibit 48

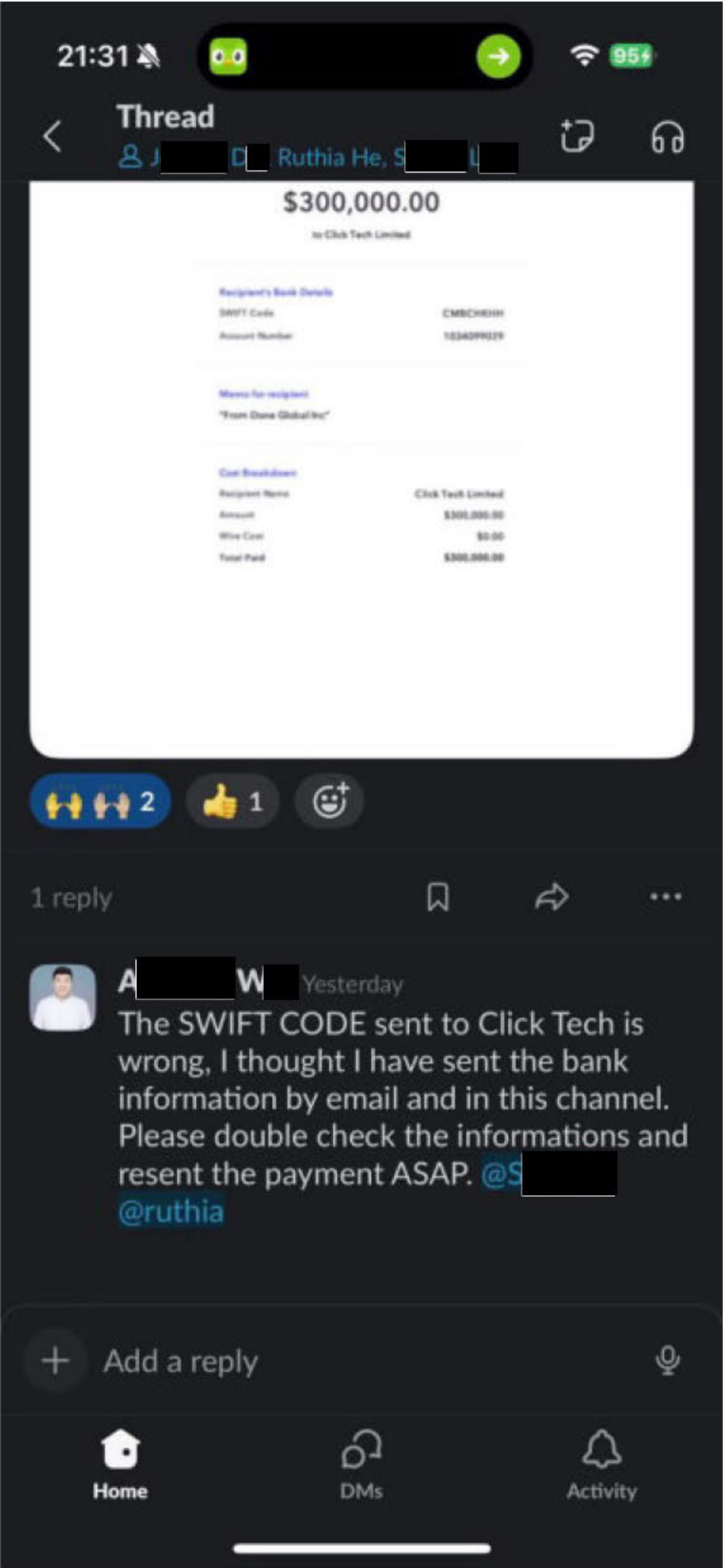
(39116204812@chatroom) 2024-05-14 21:31:23

"<a href="weixin://link\_profile?username=herujia">Ruthia</a>"邀请你和"<a href="weixin://link\_profile?username=Y[REDACTED]W[REDACTED]">卫彦竹</a>、<a href="weixin://link\_profile?username=wangyue19930729">王越</a>、<a href="weixin://link\_profile?username=wxid\_rj67jbom3jpt12">J[REDACTED]L[REDACTED]李翠詩</a>"加入了群聊

Ruthia(herujia) 2024-05-14 21:31:23

@卫彦竹?听说你和 shelby 沟通不太顺畅, 可以发一下和她的沟通记录么? 我们看看怎么样协助推进

卫彦竹(Y[REDACTED]W[REDACTED] 2024-05-14 21:32:04



卫彦竹(Y■■■■W■■ 2024 05 14 21:32:38

主要就是给代理打款的信息，两次都不太对，昨天我找她也一直没有回复。

卫彦竹(Y■■■■W■■ 2024-05-14 21:34:18

代理那边的余额已经用完了，广告账户已经停了，这次付款是 4 月 23 申请的。

卫彦竹(Y■■■■W■■ 2024-05-14 21:34:39

[Undownloaded Photo]

Ruthia(herujia) 2024-05-14 21:35:46

看到这个款项是上周四发的，这个信息可以强调一下 deadline，而且在 thread 里可能隐藏比较深，如果紧急的话建议同时 DM

Ruthia(herujia) 2024-05-14 21:36:08

你有没有尝试 huddle 她看看？

Ruthia(herujia) 2024-05-14 21:37:35

在群里发信息，有的时候同事看不见，确实需要多提醒几次

卫彦竹(Y■■■■W■■ 2024-05-14 21:37:37

嗯嗯第一次那个信息错的时候跟她 huddle 过一次说过一次。我今晚再给她打一次。

Ruthia(herujia) 2024-05-14 21:38:09

而且上周四她发的收据里面也包含 swift 信息，如果上一次已经写错了，她发的时候你应该核查一下

卫彦竹(Y [REDACTED] W [REDACTED]) 2024-05-14 21:42:42

嗯，当时看了 account number 是对的，swift code 没有检查到。

Ruthia(herujia) 2024-05-14 21:45:12

嗯嗯，如果账户停了也可以发给他们之前的收据看看可不可以延期

卫彦竹(Y [REDACTED] W [REDACTED]) 2024-05-14 21:46:28

之前的已经发给他们了但信息不对所以停了，我们付出去我给他们 receipt 就可以直接恢复了，今天能把 receipt 给他们明天就可以恢复。

Ruthia(herujia) 2024-05-14 21:47:30

那他们上周也应该检查我们的收据

J [REDACTED] L [REDACTED] 李翠詩(wxid\_rj67jbom3jpt12) 2024-05-14 21:48:00

建议：直接告诉 S [REDACTED] 对的 swift code. Save her some time to go check and check again since it seems like she is having trouble doing it

卫彦竹(Y [REDACTED] W [REDACTED]) 2024 05 14 21:49:19

嗯嗯，我会再单独给她发一次

J [REDACTED] L [REDACTED] 李翠詩(wxid\_rj67jbom3jpt12) 2024-05-14 21:51:21

Feel free to add me into the slack as well to follow up on US time zone. J [REDACTED] L [REDACTED]

Ruthia(herujia) 2024-05-14 21:51:44

嗯嗯 ??

卫彦竹(Y [REDACTED] W [REDACTED]) 2024-05-15 00:02:55



@Ruthia?刚和 S [REDACTED] huddle 完，两个代理的都被退回了，另外一个代理的信息是没错的但她也不知道什么原因退回了。所以后面决定两笔都用 bill.com 发起了，bill 的话之前都打款成功过这样比较保险，已经发送了，需要麻烦你这边审核一下。

Ruthia(herujia) 2024-05-15 00:15:29

bill.com 需要 4-5 天的处理时间，来得及么？

卫彦竹(Y [REDACTED] W [REDACTED]) 2024-05-15 00:15:52

Mercury 看起来也是需要一样的时间

卫彦竹(Y [REDACTED] W [REDACTED]) 2024-05-15 00:16:07

先拿到付款水单他们就可以先给我们把账户开启

Ruthia(herujia) 2024-05-15 00:20:09

好的，已经支付了

卫彦竹(Y [REDACTED] W [REDACTED]) 2024-05-15 00:21:03

好的~

# Exhibit 49



# 誠利商業大廈

## SHING LEE COMMERCIAL BUILDING

20/F

18/F

16/F

14/F

12/F

10/F

19/F

17/F

15/F

13/F

11/F

9/F

17 TOP SUPREME CORPORATE SERVICES LTD.

17 TAK SHING COMPANY

17 COUNT TEN CPA LIMITED

15 Eton English Education

15 YONIKO / VALUE PACK

13B VIA VAI TRAVEL LIMITED

13C FELDING BROWN & FRICH (FAR EAST) LTD.

13D MEA TOTUS HALL

13F THOMAS TUNG & CO CPA

11A KOPO TRADING LIMITED

11B APIK EMPLOYMENT AGENCY

11C Wealand Enterprises Co

11D HOME SWEET HOME LTD / AMOK YOGA

11F CENTRAL BULLION LIMITED

9A CONCORD DESIGN CLASSICS LIMITED

9B TA KANG PETROLEUM PRODUCTS CO. LTD.

9C DAZZLING CAFE (HK) LTD.

9D RAREHOUSE AUCTION LIMITED

9E Quest IPR Co, Ltd.

18 ACME FINANCE (H.K.) LIMITED

18 SIMONA GROUP (GREATER CHINA) LIMITED

18 ACME SILVER & GOLD JEWELLERY MANUFACTORY (CHINA) LIMITED

16 To & Ho Certified Public Accountants Limited

14A TANGS SOLICITORS

14B KOKUN STOCK COMPANY LIMITED

14C COLLECTION A LASH

14D PROFESSIONAL EMPLOYMENT AGENCY

14E STANDARD COMMERCIAL ENTERPRISES CO. (OPERATED BY STANDARD COMMERCIAL ENTERPRISES LTD.)

14F Fornix Finance Company Limited

12A CITYBASE INSURANCE BROKERS LTD.

12B CITYTOP INSURANCE AGENCY LTD.

12B STARHOUSE PRODUCTION

12D AFFATRAVEL CO.

12F SONGMETA LIMITED

10A BERNIE HOROLOGY (HK)

10B CLAYWOOD LIMITED

10C WESTERN ELECTRONICS LIMITED

10D Primex Technology Limited

10E CANDYCORNER BEAUTE LTD.



13

13A

MASQUERADE

13B

VIA VAI TRAVEL LTD.

易為旅遊有限公司

13F

THOMAS T. M. NG & CO. CERTIFIED PUBLIC ACCOUNTANTS 伍同明會計師  
RICH PETAL LIMITED 旺必來有限公司





# Exhibit 50

Process	Date	5/9/2023
Status		Paid
Memo		Inv #0001
Payment	Confirmation	P23050902 - 3104472
Vendor Name		ECB Accounting Services Limited
Payment	Method	IntlEPmt
Created	Date	5/9/2023
Updated	Date	5/9/2023
# Invoice #		1
Payment	Amount	6,000.00
Payment		
Payment Account Name		Bill.com Money Out Clearing
Bill		
Payment	Process Date	5/9/2023
Bill		
Payment	Confirmation	P23050902 - 3104472
Total	Line Items	1

**Done Global Inc**  
**Vendor Contact List**

Vendor	Phone Numbers	Email	Full Name	Address	Account #	Track 1099	1099 Printed	Company Name	Tax ID	Note	Terms	State	City	Country	Last Name	First Name	ZIP	Street	Billing Rate	Other	Website	Phone	Created By	Create Date	Last Modified By	Last Modified
ECB Accounting Services Limited		yibin@donefirst.com		Unit B on 13/F Shing Lee Commercial Building No. 8 Wing Kut Street Hong Kong 00852 Hong Kong		No						Hong Kong	Kut Street	Hong Kong			00852	Unit B on 13/F Shing Lee Commercial Building No. 8 Wing					Sandeep Shroff	04/21/2023 03:18:18 AM	Sandeep Shroff	04/21/2023 03:18:18 AM



# Exhibit 51

[2/7/24, 9:01:04 AM] J [REDACTED], Ruthia & [REDACTED]: Messages and calls are end-to-end encrypted. No one outside of this chat, not even WhatsApp, can read or listen to them.

[2/7/24, 9:01:04 AM] J [REDACTED], Ruthia & [REDACTED]: You created this group

[2/7/24, 9:01:32 AM] N [REDACTED]: Hi!

[2/7/24, 9:30:25 AM] Ruthia: Hi here is the latest delegation plan:  
[https://docs.google.com/spreadsheets/d/1iIJ0Q66VaS\\_5QQS4KNZeoDU7TLMQNkPN7pHcHttZ5XM/edit#gid=1024062088](https://docs.google.com/spreadsheets/d/1iIJ0Q66VaS_5QQS4KNZeoDU7TLMQNkPN7pHcHttZ5XM/edit#gid=1024062088)

[2/7/24, 9:31:10 AM] Ruthia: And management expectations for you and your team leads ([REDACTED] can add to HR wiki for anyone wanting to improve management skills):  
[https://docs.google.com/spreadsheets/d/16JpRZrYqY2UT8T6ZUaa\\_N9YXPTnxITKK81A5PFMrSI8/edit#gid=0](https://docs.google.com/spreadsheets/d/16JpRZrYqY2UT8T6ZUaa_N9YXPTnxITKK81A5PFMrSI8/edit#gid=0)

[2/7/24, 9:32:11 AM] Ruthia: Here is the message from E [REDACTED]: I had a return patient today to us that was going to Klarity, but apparently they have closed down? If so then we are likely the only telehealth company treating ADHD, yay for us helping so many people!

However, I want to let you know about a patient that was transferred to me, as this is an example of a provider that should not work at a company specializing in ADHD treatment as she can't even spell Adderall correctly, left incomplete notes and told the patient it was our policy to require anyone not on stimulants within the last two years they must "try Strattera or Qelbreee for at least 90 days before trying a stimulant, this in NOT correct, stimulants are the FIRST LINE of treatment excluding medical complications.

Patient is K [REDACTED] E [REDACTED], DOB [REDACTED]

Provider is L [REDACTED] M [REDACTED], PMHNP, new grad?

I was reviewing the chart due to the patient asking for the medication as he never got the rx sent from the visit on 01/14/24.

The note was incomplete, with numerous blank spaces missing information, incomplete sentences and misspelled words, she wrote "Addrrell" in several places on the chart, this note looks like it was written by a child, not someone with a valid medical license.

There was another follow up note stating the patient "demanded Vyvanse," which I didn't see anywhere, the provider sent Adderall to a Walgreens but incorrectly as it said "print only" meaning it wasn't sent electronically so the pharmacy never got it.

The patient messaged and at first was told someone was "reviewing" the rx since it was controlled, then later the provider said she looked at the CURES report (which should be done at the visit, not days later), and since the patient had not been on stimulants for the last two years it was against our policy to prescribe without "evidence"

This is embarrassing that a patient was treated this way by a provider at an initial visit, he was transferred to me and I already corrected the issue with his rx and told him I need to see him soon to complete his chart. At least he spoke up and got transferred, and hopefully that means this provider is no longer with Done. Think about patients that saw her and had such a terrible experience they just gave up. We have to do much better than this, please let me know if you have any questions, and thank you for your awesome support!!

[2/7/24, 9:33:37 AM] N: Let me check on thisx

[2/7/24, 9:50:26 AM] N: Tx MD posting

#### Job Overview:

We are seeking a skilled and compassionate Medical Doctor (MD) with expertise in psychiatric evaluation, particularly in Attention-Deficit/Hyperactivity Disorder (ADHD), and other mental health conditions. The ideal candidate will be dedicated to providing comprehensive assessments, accurate diagnoses, and evidence-based treatment recommendations for individuals with ADHD.

#### Responsibilities:

1. Conduct thorough psychiatric evaluations for patients presenting with symptoms of ADHD.
2. Utilize a patient-centered approach to gather comprehensive medical and psychosocial histories.
3. Perform diagnostic assessments, considering both the DSM-5 criteria and any additional relevant factors.
4. Collaborate with multidisciplinary teams, including psychologists, therapists, and other healthcare professionals, to ensure holistic patient care.
5. Develop and implement individualized treatment plans based on the diagnosis, incorporating a range of therapeutic modalities.
6. Provide patient education on ADHD, treatment options, and strategies for managing symptoms.
7. Maintain accurate and up-to-date medical records, documenting assessments, diagnoses, and treatment plans.
8. Stay current with advancements in ADHD research, treatments, and best practices.
9. Participate in continuous professional development and engage in supervision or peer consultation as needed.
10. Adhere to ethical and legal standards in medical practice and patient care.

Qualifications:

1. Medical Doctor (MD) degree from an accredited institution.
2. Board certification or eligibility in Psychiatry or internal medicine.
3. State medical license in good standing.
4. Subspecialty training or significant experience in ADHD assessment and treatment.
5. Strong interpersonal and communication skills, fostering a collaborative and supportive patient-provider relationship.
6. Ability to work effectively in a team-oriented environment.
7. Compassionate and empathetic approach to patient care.
8. Commitment to ongoing professional development and quality improvement.
9. Knowledge of and adherence to ethical principles in healthcare.

Benefits:

- Competitive salary commensurate with experience.
- Comprehensive health and dental benefits.
- Professional development opportunities.
- Supportive and collaborative work environment.

How to Apply:

Please submit your resume, cover letter, and any relevant certifications to "add email or contact"

[2/7/24, 9:56:03 AM] Ruthia: Thanks N [REDACTED] - I notice some issues and will send over the edits. Can I know what will be the hourly rate they'll be posting for?

Also H [REDACTED] mentioned she already wrote a transition document and is waiting for B [REDACTED]'s approval before sending to you.

[2/7/24, 9:56:28 AM] N [REDACTED]: Thank you!!

[2/7/24, 11:03:26 AM] Ruthia: [REDACTED] Could you please ask D [REDACTED] how they created this job description? It appears to be missing important requirements such as licenses needed in certain states and a DEA license. Additionally, the description mentions comprehensive health and dental benefits, but I believe we don't offer these for 1099 contractors.

We are also open to hiring MDs or DOs, so I suggest she can find some previous job descriptions we used before and iterate from there.

[2/7/24, 11:04:02 AM] Ruthia: Ruthia turned on disappearing messages. New messages will disappear from this chat 24 hours after they're sent, except when kept. Tap to change.

[2/23/24, 10:27:34 AM] J [REDACTED] D [REDACTED]: N [REDACTED] - next Monday to get those, will it be doable?

[2/29/24, 12:00:33 PM] Ruthia: Made some small update to the first paragrah. No need to share the policy details and we should be good to go:

Thank you for reaching out. As a company in a regulated field, we have been in conversations with the medical board and government agencies, actively collaborating on inquiries, just like many other telehealth platforms and behavioral health providers in the industry. Our commitment extends beyond mere collaboration; we are dedicated to developing comprehensive clinical practices that sets industry standards, positioning us as leaders in the field. Should you have any concerns or questions, we encourage you to contact us at any time for support. We offer dedicated legal support in case you are contacted by any medical board or government entity. Our focus remains on our commitment to a patient-first philosophy while navigating the regulatory changes, especially in the evolving telehealth industry post-pandemic.

[5/8/24, 7:11:28 PM] ~ J [REDACTED]: Ruthia added ~ J [REDACTED]. Tap to change who can add other members.

[5/8/24, 7:13:51 PM] ~ J [REDACTED]: ~ J [REDACTED] turned off disappearing messages. Tap to change.

[5/8/24, 7:16:37 PM] Ruthia: Ruthia turned on disappearing messages. New messages will disappear from this chat 24 hours after they're sent, except when kept. Tap to change.

[5/15/24, 4:48:28 PM] N [REDACTED]: I think the reason why she got terminated was she was DNP and not PMHNP

[5/15/24, 4:49:18 PM] N [REDACTED]: As far as I remember

[5/15/24, 4:50:25 PM] Ruthia: That's right!! She said she was about to get her PMHNP but didn't actually get it 😞

[5/15/24, 4:51:19 PM] N [REDACTED]: Yes!!

[5/15/24, 4:53:27 PM] Ruthia: I think that even if it's incorrect in this letter, it shouldn't be a big issue as errors like this happen. I see her chart note did state her as a DNP correctly

[5/15/24, 4:55:41 PM] N [REDACTED]: I think so too since the team doesn't really know the nuissances and this is our template

[5/15/24, 5:00:47 PM] ~ J [REDACTED]: This message was deleted.

[5/15/24, 5:06:35 PM] ~J [REDACTED]: So should we have a control to stop DNP from prescribing?

[5/15/24, 5:07:01 PM] N [REDACTED]: I think this was the only case that that happened.

[5/15/24, 5:07:27 PM] N [REDACTED]: Now, we have a robust credentiling process

[5/15/24, 5:14:52 PM] Ruthia: To clarify it's not a problem for a DNP to prescribe medications. It happens everywhere for family medicine clinicians to prescribe ADHD meds. However, we aim to uphold a higher than the industry standard.

[5/15/24, 5:15:44 PM] ~J [REDACTED]: Ah thank you for the clarification. I literally learn a new acronym everyday in the company :)

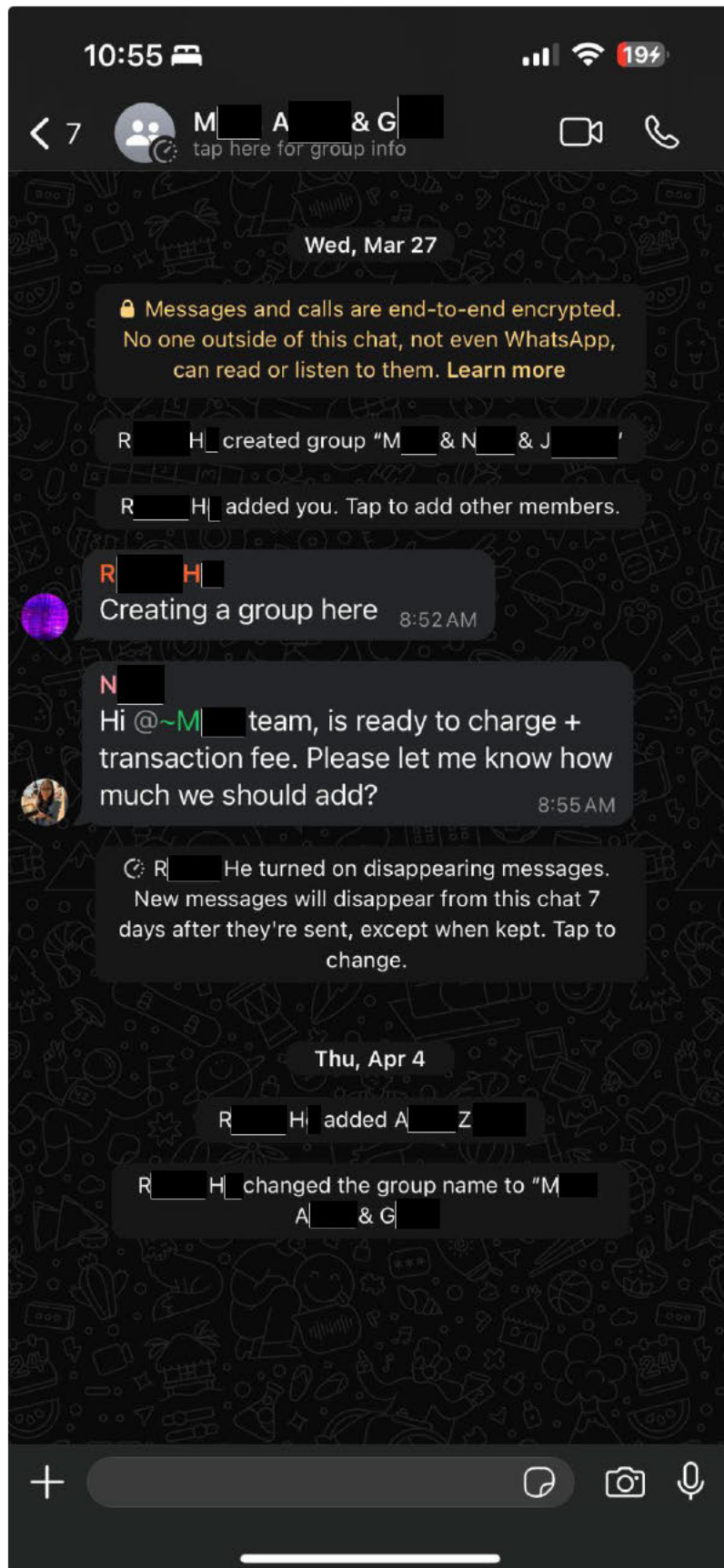
[5/15/24, 5:23:20 PM] Ruthia: It can be overwhelming at the beginning , but fortunately, we mainly specialize in one specific condition, so it's not as extensive as a general hospital.

[5/15/24, 5:23:23 PM] Ruthia: You're learning fast, and I believe those acronyms will soon become second nature to you!

[5/15/24, 5:23:46 PM] N [REDACTED]: Yes! We are here to help as always! [REDACTED] 🧑

[5/15/24, 5:25:57 PM] Ruthia: Most of us are probably already experts on ADHD now ✨ <This message was edited>

# Exhibit 52





# Exhibit 53

# Ruthia He and Done: Outgoing International Payments By Country - January 02, 2019 to August 19, 2024

Country	Banking	Bill.com	Payoneer	Total
China	\$164,065	\$ -	\$1,973,188	\$2,137,254
Hong Kong	3,368,212	846,240	500	4,484,953
Philippines	-	-	6,235,544	6,235,544
Other International	403,998	80,912	28,511	513,421
<b>Total</b>	<b>\$4,206,276</b>	<b>\$927,152</b>	<b>\$8,237,744</b>	<b>\$13,371,172</b>

# Exhibit 54

# Done Global Transfers to W Y

## December 15, 2023 to January 19, 2024

Account Name	Bank	Last 4	Date	Receiver	Amount
Done Global, Inc.	Mercury	X2801	12/15/23	W Y	\$23,400
Done Global, Inc.	Mercury	X2801	12/22/23	W Y	15,000
Done Global, Inc.	Mercury	X2801	01/19/24	W Y	14,720
Total					\$53,120

Notes: Period reviewed 01/02/19 to 08/19/24.

Sources: Banking records.

# Exhibit 55

## Under Seal

# Exhibit 56



EVUS Details

Application #: [REDACTED]  
Third Party: No — Waiver Of Rights: No — Status: S (Enrolled)

Submit Date: 06/16/2024 23:32  
Expiration Date: 04/19/2025 20:00

Actions ▾

Table of Contents

- Applicant
- Alias (1)
- Other Citizenships (0)
- Documents (4)
- Global Entry Program (0)
- Phone Numbers (1)
- Email Addresses (2)
- Social Media (0)
- Addresses (2)
- US Point of Contacts (1)
- Emergency Contacts (1)
- Employers (0)
- Group Contacts (0)
- IP Addresses (1)
- Questions (9)



Applicant Details

Name	DOB	Sex	Citizenship	Resident Country	Birth Country	Birth City
LI, C [REDACTED] [icon]	[REDACTED]	Female	CHINA (CHN)	CHINA (CHN)	CHINA (CHN)	[REDACTED]

李

Other Names/Alias (1)

Name
LI, C [REDACTED] (长莉)

Parents (2)

Name
LI, Y [REDACTED] ([REDACTED])
Z [REDACTED] J [REDACTED] ([REDACTED])

Other Citizenships (0)

Country	Document #	Type	Exp.Year	Reason
No records found.				

Documents (4)

Document Type	Document #	Issued By	Issued Date	Expiration Date
Primary Passport	[REDACTED] [icon]	CHINA (CHN)	02/21/2008	02/20/2018
Current Passport	[REDACTED] [icon]	CHINA (CHN)	09/30/2017	09/29/2027
National ID	[REDACTED] [icon]	CHINA (CHN)	---	---
VISA FOIL Number	[REDACTED] [icon]	USA	---	04/20/2025

Global Entry Program Information (0)

Membership Response	PASSID/Membership #
---	---

Phone Numbers (1)

Phone Type	Telephone Country Code / #
Cell	CN:86 / [REDACTED] [icon]

Email Addresses (2)

Email Type	Email Address
Primary	[REDACTED] [icon]
Secondary	[REDACTED] [icon]

Social Media (0)

Social Media Type	Social Media Text
No records found.	

Addresses (2)

Address Type	Address Line 1	Address Line 2	Apartment #	City	State	Postal Code	Country
Home	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Beijing		CHINA (CHN)
	[REDACTED]						
USA Address	[REDACTED]		[REDACTED]	[REDACTED]	CA - CALIFORNIA		USA

US Point of Contacts (1)

US Point of Contact	Telephone Country Code / #	Address Line 1	Address Line 2	City	State	Country
A [REDACTED] Z [REDACTED]	US:1 / [REDACTED] [icon]	[REDACTED]		[REDACTED]	CA - CALIFORNIA	USA

Emergency Contacts (1)

Name	Telephone Country Code / #	Email Address	Address Line 1	Address Line 2	City	State	Country
W [REDACTED], Y [REDACTED]	CN:86 / [REDACTED] [icon]	[REDACTED] [icon]					---

Employers (0)

Employer Name	Job Title	Telephone Country Code / #	Address Line 1	Address Line 2	City	State	Country
No records found.							

Group Contacts (0)

Name	Telephone Country Code / #	Email Address	Address Line 1	Address Line 2	City	State	Country
No records found.							

IP Addresses



IP Address	Location	Country	Organization	Last Updated
	MOSCOW OBLAST 47 RU (RUSSIA)	RUS	MISAKA NETWORK, INC.	as of Current Date (07/10/2024)
Questions (9)				1 of 2 ⏮ ⏪ ⏩ ⏭
EVUS Details				
Question	Application #: <div>Third Party: No — Waiver Of Rights: No — Status: S (Enrolled)</div>			Response
	Application #: <div>Expiration Date: 04/19/2025 20:00</div>			Reported on Application Date
1)	Do you have a physical or mental disorder, or are you a drug abuser or addict, or do you currently have any of the following diseases (communicable diseases are specified pursuant to section 361(b) of the Public Health Service Act)?			NO06/16/2024 23:32
2)	Have you ever been arrested or convicted for a crime that resulted in serious damage to property, or serious harm to another person or government authority?			NO06/16/2024 23:32
3)	Have you ever violated any law related to possessing, using, or distributing illegal drugs?			NO06/16/2024 23:32
4)	Do you seek to engage in or have you ever engaged in terrorist activities, espionage, sabotage, or genocide?			NO06/16/2024 23:32
5)	Have you ever committed fraud or misrepresented yourself or others to obtain, or assist others to obtain, a visa or entry into the United States?			NO06/16/2024 23:32
6)	Are you currently seeking employment in the United States or were you previously employed in the United States without prior permission from the U.S. government?			NO06/16/2024 23:32
7)	Have you ever been denied a U.S. visa you applied for with your current or previous passport, or have you ever been refused admission to the United States or withdrawn your application for admission at a U.S. port of entry?			NO06/16/2024 23:32
8)	Have you ever stayed in the United States longer than the admission period granted to you by the U.S. government?			NO06/16/2024 23:32
9.v 2)	Have you traveled to, or been present in Iran, Iraq, Libya, North Korea, Somalia, Sudan, Syria or Yemen on or after March 1, 2011?			NO06/16/2024 23:32

Table of Contents

Applicant

Alias (1)

Other Citizenships (0)

Documents (4)

Global Entry Program (0)

Phone Numbers (1)

Email Addresses (2)

Social Media (0)

Addresses (2)

US Point of Contacts (1)

Emergency Contacts (1)

Employers (0)

Group Contacts (0)

IP Addresses (1)

Questions (9)



# Exhibit 57



search the universe...



Teams

More



okayhealth

Business

[Index](#) [Review](#) [Team](#) [Cards](#) [Accounts/Tx](#) [Credit](#) [Payments/Rules](#) [Documents](#) [Treasury](#) [Limits](#) [Capital](#) [Sanctions](#) [Bill Pay & Invoicing](#) [Reimbursements](#)[Back to Team](#)[Force Password Reset](#) [Lock Out Of Organization](#) [Lock User Account](#)Email address [donefirst.com](#)Role [Admin](#)Status [Active](#)Preferred Name [R. Z.](#)Job title [VP, Director, Manager](#)Legal Name [R. Z.](#)Date of birth [\[Redacted\]](#)Phone number [\[Redacted\]](#)Alternate Phone number [Add >](#)Organization User ID [\[Redacted\]](#)Legal address [\[Redacted\]](#)Other Org Users [0 other org users](#) [Go to User Profile](#)

## User Permissions

- User permissions
- ✓ Send money
  - ✓ Create new checking and savings accounts
  - ✓ Invite new users or manage existing users
  - ✓ Deposit checks
  - ✓ View payments
  - ✓ Reset teammate 2FA
  - ✓ Can manage vendors and review flagged payments
  - ✓ Can create/edit recipients
  - ✓ Can create payment requests and send invoices
  - ✓ Issue new cards and manage existing cards
  - ✓ Can freely transfer money to Mercury accounts
  - ✓ Add API tokens
  - ✓

Call Verification [Verify Phone Call](#)Provide Support [Provide Support](#) [Request Privileges](#)2FA Reset Requests [TOTP Enabled](#) [No Security Keys](#) [Mercury MFA Unconfigured](#)

No reset requests found

[Reset 2FA](#)

## Notifications preferences

- Account Activity
- ✓ Outgoing transactions of at least \$100
  - ✓ Failed transactions
  - ✓ 2FA reset requests from my team members
  - Pause all

- From Mercury
- ✓ New features
  - ✓ Events
  - Pause all

Error log

Done Global, Inc.

Approved

okayhealth

Business

Mercury

[\[Redacted\]](#)

Mar 18, 2020

\$0.01

[Synapse](#) [Evolve](#)

Minimal Risk

N/A

Health Services &gt; Healthcare Tech

Low

Cases

Account Managers

Partners

Names

Beneficial Owners

Referral Partners

Displaying errors from bugsnag for the last 30 days

- Aug 22 09:46

Error /transactions mercury-web

Error fetching in ApiHooks: Sorry, access to your account has been restricted. Contact us at help@mercury.com if you have questions.

Bugsnap
- Aug 22 09:46

Error /transactions mercury-web

Error fetching in ApiHooks: Sorry, access to your account has been restricted. Contact us at @mercury.com if you have questions.

Bugsnap
- Aug 22 09:46

Error /transactions mercury-web

Error fetching in ApiHooks: Sorry, access to your account has been restricted. Contact us at @mercury.com if you have questions.

Bugsnap
- Aug 22 09:46

Error /transactions mercury-web

Error fetching in ApiHooks: Sorry, access to your account has been restricted. Contact us at @mercury.com if you have questions.

Bugsnap
- Aug 22 09:46

Error /transactions mercury-web

Error fetching in ApiHooks: Sorry, access to your account has been restricted. Contact us at @mercury.com if you have questions.

Bugsnap

User security log

Here are the last 30 days of activity on this account

Event	Source	IP address	Date and time	Country
→] Log in	Chrome (macOS, 10.15.7)	2600:1700:6d11:523...	Aug 22, 9:31 AM	United States
→] Log in	Chrome (macOS, 10.15.7)	136.25.43.55	Aug 21, 4:13 PM	United States
→] Log in	Chrome (macOS, 10.15.7)	136.25.43.55	Aug 20, 8:04 PM	United States
🔒 Log in two-factor auth requested	Chrome (macOS, 10.15.7)	136.25.43.55	Aug 20, 8:04 PM	United States
→] Log in	Chrome (macOS, 10.15.7)	2600:1700:6d11:523...	Jul 29, 5:25 PM	United States
→] Log in	Chrome (macOS, 10.15.7)	2600:1700:6d11:523...	Jul 25, 6:09 PM	United States

```

{
  "userDetails": {
    "email": "donefirst.com",
    "id": "ae0faecb-3f1f-11ef-b40a-931792dabcc7",
    "firstName": "R",
    "lastName": "Z",
    "createdAt": "2024-07-11T00:51:16.310203Z",
    "hasConfiguredTotp": true,
    "webAuthnCredentials": [],
    "hasVerifiedEmail": true,
    "linkedUsers": [...],
    "legalAddress": {...},
    "phoneNumber": " ",
    "dateOfBirth": " ",
    "legalFirstName": "R",
    "legalLastName": "Z",
    "passwordResetForced": " ",
    "status": "active",
    "hasEverBeenInAnOrganization": true,
    "isBeneficialOwnerInAnyOrg": false,
    "canOnboardTo": [...],
    "jobTitle": {...},
    "userSettings": {},
    "needsTotpReset": false
  }
}
```

# Exhibit 58

Source	From	To	All timestamps	Content	Deleted
WeChat	wangyue19930729 王越	Participants: wangyue19930729 王越, herujia Ruthia (owner)	Timestamp: 1/9/2023 5:45:22 AM(UTC+0)	Direction: Incoming Body: 最好的办法就是，香港开个公司，把菲律宾和大陆的工资流水都放过去	

**Google Translate Translation:**

The best way is to open a company in Hong Kong and transfer the salary flow from the Philippines and the mainland to Hong Kong.

**Human Translation:**

The best approach is to set up a company in Hong Kong and consolidate the salary statement/payroll history from both the Philippines and mainland China there.

# Exhibit 59

ID	
Reference	
Date_Range	20240401-20240730
Amount_Range	
Search_String	("RUJIA HE" OR "HE RUJIA") AND BEIJING*
IMAD	2
Sequence	1
flddate	08-Jul-24
Amount_2000	\$49,985.00
Message Disposition_1100	30P N
Receipt Time Stamp_1110	07080500FT03
OMAD_1120	20240708L2B77Q1C0006330 7080500FT03
Order Supplied Information_1	3000001076P
Type/Subtype_1510	1000
IMAD_1520	2
Amount_2000	4998500
3000	
Sender DI_3100	026014591INDUSTRIAL & COMM
Sender Reference_3320	BJMUS338460815GC
Receiver DI_3400	322070381EAST WEST BANK
Previous Message Identifier_3	
Business Function Code_360	CTP
Local Instrument_3610	
Payment Notification_3620	
Charges_3700	SUSD15,00
Instructed Amount_3710	
Exchange Rate_3720	
Intermediary FI_4000	
Beneficiary FI_4100	
Beneficiary_4200	4714 VALPEY PARK AVE FREMONT CALIFORNIA 94538 USA
Reference for Beneficiary_43	
Amount Debited in Drawdown_	
Originator_5000	RUJIA BEIJINGSHI [REDACTED]
Originator Option F_5010	
Originator FI_5100	BICBKCNBJBJM INDUSTRIAL AND COMMERCIAL BANK OF C 26 XICHANGAN STREET 100026 BEIJING CHINA
Instructing FI_5200	OFFICE NO.55 FUXINGMENNEI AVENUE XICHENG DISTRICT, BEIJING 10032, PRC

# Exhibit 60





## PRESS RELEASE

# Fugitive Leonard Francis Back in San Diego; Appears in Federal Court

Thursday, January 4, 2024

### For Immediate Release

U.S. Attorney's Office, Southern District  
of California

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## **NEWS RELEASE SUMMARY – January 4, 2024**

SAN DIEGO – Leonard Glenn Francis, the infamous fugitive who presided over a massive decade-long conspiracy involving scores of U.S. Navy officials, tens of millions of dollars in fraud and millions of dollars in bribes and gifts, appeared in federal court today for the first time since he cut off his electronic monitoring bracelet and absconded from house arrest in San Diego in September 2022.

At the hearing, the government asked U.S. District Judge Janis L. Sammartino to set a new sentencing date immediately to avoid delays, but the judge postponed a decision based on a request by Francis' legal team to withdraw from the case in the aftermath of his disappearance. The judge set a status hearing for February 8, 2024, at 9 a.m.

Francis, who fled the United States before he could be sentenced, was returned to the United States from Venezuela as part of a prisoner swap on December 20, 2023. From Venezuela, he arrived in the Southern District of Florida and appeared in federal court the next day in Miami, where he was ordered removed to the Southern District of California. Francis arrived in San Diego on January 3.

Francis, the owner and chief executive of Glenn Defense Marine Asia, which provided services to U.S. Navy ships in ports in the Asia-Pacific region, pleaded guilty to bribery and fraud charges in 2015. As a result of the federal investigation, more than 30 U.S. Navy officials and associates pleaded guilty.

***“Leonard Francis is no longer on the run. He is on the hook,” said U.S. Attorney Tara K. McGrath. “Mr. Francis never should have fled the United States while he was waiting to be sentenced. In fact, he was ordered by a federal judge not to do so. Now that he is back in San Diego, Mr. Francis will be held fully accountable for his crimes.”***

## **DEFENDANTS**

**Case Number 13-CR- 4287**

Leonard Glenn Francis

Age: 59

Singapore

## **SUMMARY OF CHARGES**

Conspiracy to Commit Bribery, in violation of 18 U.S.C. § 371. Maximum penalty five years in prison, \$250,000 fine or twice the gross pecuniary gain or loss from the offense, whichever is greater;

Bribery, in violation of 18 U.S.C. § 201. Maximum 15 years in prison, \$250,000 fine or twice the gross pecuniary gain or loss from the offense, whichever is greater. Mandatory restitution.

Conspiracy to Defraud the United States, in violation of in violation of 18 U.S.C. sec. 371. Maximum penalty five years in prison \$250,000 fine or twice the gross pecuniary gain or loss from the offense, whichever is greater. Mandatory restitution.

## **INVESTIGATING AGENCIES**

Defense Criminal Investigative Service

Naval Criminal Investigative Service

Defense Contract Audit Agency

## **Contact**

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# Exhibit 61

## Under Seal

# Exhibit 62

## Under Seal

# Exhibit 63

## Under Seal